

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

FORM 10-Q

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

For the quarterly period ended March 31, 2025
OR

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

Commission File Number 001-35700

Diamondback Energy, Inc.

(Exact Name of Registrant As Specified in Its Charter)

DE

45-4502447

(State or Other Jurisdiction of Incorporation or Organization)

(I.R.S. Employer Identification Number)

500 West Texas Ave.,
Suite 100

Midland, TX

(Address of principal executive offices)

79701

(Zip code)

(432) 221-7400

(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Securities Exchange Act of 1934:

<u>Title of each class</u>	<u>Trading Symbol(s)</u>	<u>Name of each exchange on which registered</u>
Common Stock, par value \$0.01 per share	FANG	The Nasdaq Stock Market LLC (NASDAQ Global Select Market)

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 during the preceding 12 months (or for 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 the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act. (Check One):

Large Accelerated Filer	<input checked="" type="checkbox"/>	Accelerated Filer	<input type="checkbox"/>
Non-Accelerated Filer	<input type="checkbox"/>	Smaller Reporting Company	<input type="checkbox"/>
		Emerging Growth Company	<input type="checkbox"/>

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

As of May 2, 2025, the registrant had 292,167,960 shares of common stock outstanding.

DIAMONDBACK ENERGY, INC.
FORM 10-Q
FOR THE QUARTER ENDED MARCH 31, 2025
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GLOSSARY OF OIL AND NATURAL GAS TERMS

The following is a glossary of certain oil and natural gas industry terms that are used in this Quarterly Report on Form 10-Q (this “report”) and our other periodic reports under the Exchange Act:

Argus WTI Houston	Grade of oil that serves as a benchmark price for oil at Houston, Texas.
Argus WTI Midland	Grade of oil that serves as a benchmark price for oil at Midland, Texas.
Basin	A large depression on the earth’s surface in which sediments accumulate.
Bbl or barrel	One stock tank barrel, or 42 U.S. gallons liquid volume, used in this report in reference to crude oil or other liquid hydrocarbons.
BO/d	One barrel of crude oil per day.
BOE	One barrel of oil equivalent, with six thousand cubic feet of natural gas being equivalent to one barrel of oil.
BOE/d	BOE per day.
Brent	A major trading classification of light sweet oil that serves as a benchmark price for oil worldwide.
Completion	The process of treating a drilled well followed by the installation of permanent equipment for the production of natural gas or oil, or in the case of a dry hole, the reporting of abandonment to the appropriate agency.
Henry Hub	Natural gas gathering point that serves as a benchmark price for natural gas futures on the NYMEX.
HSC Hub	Natural gas gathering point that serves as a benchmark price for natural gas at the Houston Ship Channel area.
Horizontal wells	Wells drilled directionally horizontal to allow for development of structures not reachable through traditional vertical drilling mechanisms.
MBbls	One thousand barrels of crude oil and other liquid hydrocarbons.
MBO/d	One thousand BO per day.
MBOE	One thousand BOE.
MBOE/d	One thousand BOE per day.
Mcf	One thousand cubic feet of natural gas.
Mineral interests	The interests in ownership of the resource and mineral rights, giving an owner the right to profit from the extracted resources.
MMBtu	One million British Thermal Units.
MMcf	Million cubic feet of natural gas.
Net acres	The sum of the fractional working interest owned in gross acres.
Oil and natural gas properties	Tracts of land consisting of properties to be developed for oil and natural gas resource extraction.
Proved reserves	The estimated quantities of oil, natural gas and natural gas liquids which geological and engineering data demonstrate with reasonable certainty to be commercially recoverable in future years from known reservoirs under existing economic and operating conditions.
Reserves	The estimated remaining quantities of oil and natural gas and related substances anticipated to be economically producible, as of a given date, by application of development projects to known accumulations. In addition, there must exist, or there must be a reasonable expectation that there will exist, the legal right to produce or a revenue interest in the production, installed means of delivering oil and natural gas or related substances to the market and all permits and financing required to implement the project. Reserves should not be assigned to adjacent reservoirs isolated by major, potentially sealing, faults until those reservoirs are penetrated and evaluated as economically producible. Reserves should not be assigned to areas that are clearly separated from a known accumulation by a non-productive reservoir (i.e., absence of reservoir, structurally low reservoir or negative test results). Such areas may contain prospective resources (i.e., potentially recoverable resources from undiscovered accumulations).
Reservoir	A porous and permeable underground formation containing a natural accumulation of producible natural gas and/or crude oil that is confined by impermeable rock or water barriers and is separate from other reservoirs.
Royalty interest	An interest that gives an owner the right to receive a portion of the resources or revenues without having to carry any costs of development, which may be subject to expiration.
Waha Hub	Natural gas gathering point that serves as a benchmark price for natural gas at western Texas and New Mexico.
Working interest	An operating interest that gives the owner the right to drill, produce and conduct operating activities on the property and receive a share of production and requires the owner to pay a share of the costs of drilling and production operations.
WTI	West Texas Intermediate, a light sweet blend of oil produced from fields in western Texas and is a grade of oil that serves as a benchmark for oil on the NYMEX.
WTI Cushing	Grade of oil that serves as a benchmark price for oil at Cushing, Oklahoma.

GLOSSARY OF CERTAIN OTHER TERMS

The following is a glossary of certain other terms that are used in this report and our other periodic reports under the Exchange Act:

April 2024 Notes	The outstanding senior notes issued by Diamondback Energy, Inc. under indentures where Diamondback E&P is the sole guarantor, consisting of the 5.200% Senior Notes due 2027, 5.150% Senior Notes due 2030, 5.400% Senior Notes due 2034, 5.750% Senior Notes due 2054 and 5.900% Senior Notes due 2064.
ASU	Accounting Standards Update.
Equity Plan	The Company's 2021 Amended and Restated Equity Incentive Plan.
Exchange Act	The Securities Exchange Act of 1934, as amended.
FASB	Financial Accounting Standards Board.
GAAP	Accounting principles generally accepted in the United States.
Nasdaq	The Nasdaq Global Select Market.
OPEC	Organization of the Petroleum Exporting Countries.
SEC	United States Securities and Exchange Commission.
Securities Act	The Securities Act of 1933, as amended.
Guaranteed Senior Notes	The outstanding senior notes issued by Diamondback Energy, Inc. under indentures where Diamondback E&P is the sole guarantor, consisting of the 3.250% Senior Notes due 2026, 5.200% Senior Notes due 2027, 3.500% Senior Notes due 2029, 5.150% Senior Notes due 2030, 3.125% Senior Notes due 2031, 6.250% Senior Notes due 2033, 5.400% Senior Notes due 2034, 5.550% Senior Notes due 2035, 4.400% Senior Notes due 2051, 4.250% Senior Notes due 2052, 6.250% Senior Notes due 2053, 5.750% Senior Notes due 2054 and 5.900% Senior Notes due 2064.
SOFR	The secured overnight financing rate.
TSR	Total stockholder return of the Company's common stock.
Viper	Viper Energy, Inc.
Viper LLC	Viper Energy Partners LLC, a Delaware limited liability company and a subsidiary of Viper.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

Various statements contained in this report are “forward-looking statements” within the meaning of Section 27A of the Securities Act and Section 21E of the Exchange Act, which involve risks, uncertainties and assumptions. All statements, other than statements of historical fact, including statements regarding our: future performance; business strategy; future operations (including drilling plans and capital plans); estimates and projections of revenues, losses, costs, expenses, returns, cash flow and financial position; reserve estimates and our ability to replace or increase reserves; anticipated benefits or other effects of strategic transactions (including the recently completed Endeavor Acquisition and Double Eagle Acquisition (in each case, as defined below) discussed in this report and other acquisitions or divestitures, including the 2025 Drop Down); and plans and objectives of management (including plans for future cash flow from operations and for executing environmental strategies) are forward-looking statements. When used in this report, the words “aim,” “anticipate,” “believe,” “continue,” “could,” “estimate,” “expect,” “forecast,” “future,” “guidance,” “intend,” “may,” “model,” “outlook,” “plan,” “positioned,” “potential,” “predict,” “project,” “seek,” “should,” “target,” “will,” “would,” and similar expressions (including the negative of such terms) as they relate to the Company are intended to identify forward-looking statements, although not all forward-looking statements contain such identifying words. Although we believe that the expectations and assumptions reflected in our forward-looking statements are reasonable as and when made, they involve risks and uncertainties that are difficult to predict and, in many cases, beyond our control. In particular, the factors discussed in this report and detailed under [Part II, Item 1A. Risk Factors](#) in this report and our [Annual Report on Form 10-K](#) for the year ended December 31, 2024 could affect our actual results and cause our actual results to differ materially from expectations, estimates or assumptions expressed, forecasted or implied in such forward-looking statements. Unless the context requires otherwise, references to “we,” “us,” “our” or the “Company” are intended to mean the business and operations of the Company and its consolidated subsidiaries.

Factors that could cause our outcomes to differ materially include (but are not limited to) the following:

- changes in supply and demand levels for oil, natural gas and natural gas liquids, and the resulting impact on the price for those commodities;
- the impact of public health crises, including epidemic or pandemic diseases and any related company or government policies or actions;
- actions taken by the members of OPEC and Russia affecting the production and pricing of oil, as well as other domestic and global political, economic, or diplomatic developments;
- changes in general economic, business or industry conditions, including changes in foreign currency exchange rates, interest rates and inflation rates, instability in the financial sector;
- regional supply and demand factors, including delays, curtailment delays or interruptions of production, or governmental orders, rules or regulations that impose production limits;
- federal and state legislative and regulatory initiatives relating to hydraulic fracturing, including the effect of existing and future laws and governmental regulations;
- physical and transition risks relating to climate change;
- restrictions on the use of water, including limits on the use of produced water and a moratorium on new produced water well permits recently imposed by the Texas Railroad Commission in an effort to control induced seismicity in the Permian Basin;
- significant declines in prices for oil, natural gas, or natural gas liquids, which could require recognition of significant impairment charges;
- changes in U.S. energy, environmental, monetary and trade policies, including with respect to tariffs or other trade barriers, and any resulting trade tensions;
- conditions in the capital, financial and credit markets, including the availability and pricing of capital for drilling and development operations and our environmental and social responsibility projects;
- challenges with employee retention and an increasingly competitive labor market;
- changes in availability or cost of rigs, equipment, raw materials, supplies, oilfield services;
- changes in safety, health, environmental, tax and other regulations or requirements (including those addressing air emissions, water management, or the impact of global climate change);
- security threats, including cybersecurity threats and disruptions to our business and operations from breaches of our information technology systems, or from breaches of information technology systems of third parties with whom we transact business;

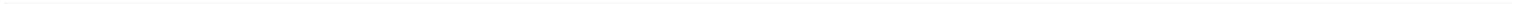
- lack of, or disruption in, access to adequate and reliable transportation, processing, storage and other facilities for our oil, natural gas and natural gas liquids;
- failures or delays in achieving expected reserve or production levels from existing and future oil and natural gas developments, including due to operating hazards, drilling risks, or the inherent uncertainties in predicting reserve and reservoir performance;
- difficulty in obtaining necessary approvals and permits;
- severe weather conditions and natural disasters;
- acts of war or terrorist acts and the governmental or military response thereto;
- changes in the financial strength of counterparties to our credit agreement and hedging contracts;
- changes in our credit rating;
- risks related to the recently completed Endeavor Acquisition, Double Eagle Acquisition and the 2025 Drop Down; and
- other risks and factors disclosed or incorporated by reference in this report.

In light of these factors, the events anticipated by our forward-looking statements may not occur at the time anticipated or at all. Moreover, we operate in a very competitive and rapidly changing environment and new risks emerge from time to time. We cannot predict all risks, nor can we assess the impact of all factors on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those anticipated by any forward-looking statements we may make. Accordingly, you should not place undue reliance on any forward-looking statements made in this report. All forward-looking statements speak only as of the date of this report or, if earlier, as of the date they were made. We do not intend to, and disclaim any obligation to, update or revise any forward-looking statements unless required by applicable law.

PART I. FINANCIAL INFORMATION
ITEM 1. CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)
Diamondback Energy, Inc. and Subsidiaries
Condensed Consolidated Balance Sheets
(Unaudited)

	March 31, 2025	December 31, 2024
	(In millions, except par values and share data)	
Assets		
Current assets:		
Cash and cash equivalents (\$560 million and \$27 million related to Viper)	\$ 1,816	\$ 161
Restricted cash	225	3
Accounts receivable:		
Joint interest and other, net	257	198
Oil and natural gas sales, net (\$146 million and \$149 million related to Viper)	1,334	1,387
Inventories	117	116
Derivative instruments	267	168
Prepaid expenses and other current assets	67	77
Total current assets	4,083	2,110
Property and equipment:		
Oil and natural gas properties, full cost method of accounting (\$22,019 million and \$22,666 million excluded from amortization at March 31, 2025 and December 31, 2024, respectively) (\$6,097 million and \$5,713 million related to Viper and \$2,279 million and \$2,180 million excluded from amortization related to Viper)	83,727	82,240
Other property, equipment and land	1,452	1,440
Accumulated depletion, depreciation, amortization and impairment (\$1,148 million and \$1,081 million related to Viper)	(20,283)	(19,208)
Property and equipment, net	64,896	64,472
Funds held in escrow	208	1
Equity method investments	383	375
Derivative instruments	61	2
Deferred income taxes, net (\$249 million and \$185 million related to Viper)	235	173
Other assets	200	159
Total assets	\$ 70,066	\$ 67,292
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable - trade	\$ 124	\$ 253
Accrued capital expenditures	754	690
Current maturities of debt	914	900
Other accrued liabilities	761	1,020
Revenues and royalties payable	1,575	1,491
Derivative instruments	75	43
Income taxes payable	550	414
Total current liabilities	4,753	4,811
Long-term debt (\$822 million and \$1,083 million related to Viper)	12,996	12,075
Derivative instruments	93	106
Asset retirement obligations	586	573
Deferred income taxes	9,887	9,826
Other long-term liabilities	8	39
Total liabilities	28,323	27,430
Commitments and contingencies (Note 16)		
Stockholders' equity:		
Common stock, \$0.01 par value; 800,000,000 shares authorized; 287,287,926 and 290,984,373 shares issued and outstanding at March 31, 2025 and December 31, 2024, respectively	3	3
Additional paid-in capital	33,125	33,501
Retained earnings (accumulated deficit)	5,352	4,238
Accumulated other comprehensive income (loss)	(7)	(6)
Total Diamondback Energy, Inc. stockholders' equity	38,473	37,736
Non-controlling interest	3,270	2,126
Total equity	41,743	39,862
Total liabilities and stockholders' equity	\$ 70,066	\$ 67,292

See accompanying notes to condensed consolidated financial statements.



Diamondback Energy, Inc. and Subsidiaries
Condensed Consolidated Statements of Operations
(Unaudited)

	Three Months Ended March 31,	
	2025	2024
(In millions, except per share amounts, shares in thousands)		
Revenues:		
Oil sales	\$ 3,039	\$ 1,867
Natural gas sales	212	50
Natural gas liquid sales	406	184
Sales of purchased oil	374	116
Other operating income	17	10
Total revenues	4,048	2,227
Costs and expenses:		
Lease operating expenses	408	255
Production and ad valorem taxes	228	119
Gathering, processing and transportation	111	77
Purchased oil expense	382	117
Depreciation, depletion, amortization and accretion	1,097	469
General and administrative expenses	73	46
Merger and integration expenses	37	12
Other operating expenses	39	14
Total costs and expenses	2,375	1,109
Income (loss) from operations	1,673	1,118
Other income (expense):		
Interest expense, net	(40)	(39)
Other income (expense), net	27	(3)
Gain (loss) on derivative instruments, net	226	(48)
Gain (loss) on extinguishment of debt	—	2
Income (loss) from equity investments, net	8	2
Total other income (expense), net	221	(86)
Income (loss) before income taxes	1,894	1,032
Provision for (benefit from) income taxes	403	223
Net income (loss)	1,491	809
Net income (loss) attributable to non-controlling interest	86	41
Net income (loss) attributable to Diamondback Energy, Inc.	\$ 1,405	\$ 768
Earnings (loss) per common share:		
Basic	\$ 4.83	\$ 4.28
Diluted	\$ 4.83	\$ 4.28
Weighted average common shares outstanding:		
Basic	289,612	178,477
Diluted	289,612	178,477

See accompanying notes to condensed consolidated financial statements.

Diamondback Energy, Inc. and Subsidiaries
Condensed Consolidated Statements of Stockholders' Equity
(Unaudited)

	Common Stock		Additional Paid-in Capital	Retained Earnings (Accumulated Deficit)	Accumulated Other Comprehensive Income (Loss)	Non-Controlling Interest	Total
	Shares	Amount					
(\$ in millions, shares in thousands)							
Balance December 31, 2024	290,984	\$ 3	\$ 33,501	\$ 4,238	\$ (6)	\$ 2,126	\$ 39,862
Viper equity-based compensation	—	—	—	—	—	1	1
Distribution equivalent rights payments	—	—	—	(1)	—	—	(1)
Stock-based compensation	—	—	22	—	—	—	22
Cash paid for tax withholding on vested equity awards	(155)	—	(25)	—	—	—	(25)
Repurchased shares under buyback program	(3,656)	—	(580)	—	—	—	(580)
Viper LLC's units issued for acquisition	—	—	—	—	—	119	119
Net proceeds from Viper's issuance of common stock	—	—	—	—	—	1,232	1,232
Dividends to non-controlling interest	—	—	—	—	—	(95)	(95)
Dividends paid	—	—	—	(290)	—	—	(290)
Issuance of shares upon vesting of equity awards	115	—	—	—	—	—	—
Change in ownership of consolidated subsidiaries, net	—	—	206	—	—	(199)	7
Other comprehensive income (loss)	—	—	1	—	(1)	—	—
Net income (loss)	—	—	—	1,405	—	86	1,491
Balance March 31, 2025	287,288	\$ 3	\$ 33,125	\$ 5,352	\$ (7)	\$ 3,270	\$ 41,743

	Common Stock		Additional Paid-in Capital	Retained Earnings (Accumulated Deficit)	Accumulated Other Comprehensive Income (Loss)	Non-Controlling Interest	Total
	Shares	Amount					
(\$ in millions, shares in thousands)							
Balance December 31, 2023	178,724	\$ 2	\$ 14,142	\$ 2,489	\$ (8)	\$ 805	\$ 17,430
Distribution equivalent rights payments	—	—	—	(4)	—	—	(4)
Stock-based compensation	—	—	21	—	—	—	21
Cash paid for tax withholding on vested equity awards	(187)	—	(34)	—	—	—	(34)
Repurchased shares under buyback program	(279)	—	(42)	—	—	—	(42)
Proceeds from partial sale of investment in Viper Energy, Inc.	—	—	219	—	—	197	416
Dividends to non-controlling interest	—	—	—	—	—	(44)	(44)
Dividends paid	—	—	—	(548)	—	—	(548)
Issuance of shares upon vesting of equity awards	82	—	—	—	—	—	—
Change in ownership of consolidated subsidiaries, net	—	—	(55)	—	—	70	15
Net income (loss)	—	—	—	768	—	41	809
Balance March 31, 2024	178,340	\$ 2	\$ 14,251	\$ 2,705	\$ (8)	\$ 1,069	\$ 18,019

See accompanying notes to condensed consolidated financial statements.

Diamondback Energy, Inc. and Subsidiaries
Condensed Consolidated Statements of Cash Flows
(Unaudited)

	Three Months Ended March 31,	
	2025	2024
	(In millions)	
Cash flows from operating activities:		
Net income (loss)	\$ 1,491	\$ 809
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:		
Provision for (benefit from) deferred income taxes	6	52
Depreciation, depletion, amortization and accretion	1,097	469
(Gain) loss on extinguishment of debt	—	(2)
(Gain) loss on derivative instruments, net	(226)	48
Cash received (paid) on settlement of derivative instruments	85	(4)
(Income) loss from equity investment, net	(8)	(2)
Equity-based compensation expense	18	14
Other	24	16
Changes in operating assets and liabilities:		
Accounts receivable	(6)	(95)
Income tax receivable	3	12
Prepaid expenses and other current assets	6	89
Accounts payable and accrued liabilities	(374)	(110)
Income taxes payable	135	70
Revenues and royalties payable	84	(35)
Other	20	3
Net cash provided by (used in) operating activities	2,355	1,334
Cash flows from investing activities:		
Additions to oil and natural gas properties	(942)	(609)
Property acquisitions	(750)	(153)
Proceeds from sale of assets	41	12
Other	(2)	(1)
Net cash provided by (used in) investing activities	(1,653)	(751)
Cash flows from financing activities:		
Proceeds from borrowings under credit facilities	2,277	90
Repayments under credit facilities	(2,538)	(80)
Proceeds from senior notes	1,200	—
Repayment of senior notes	—	(25)
Repurchased shares under buyback program	(575)	(42)
Proceeds from partial sale of investment in Viper Energy, Inc.	—	451
Net proceeds from Viper's issuance of common stock	1,232	—
Dividends paid to stockholders	(290)	(548)
Dividends/distributions to non-controlling interest	(95)	(44)
Other	(36)	(71)
Net cash provided by (used in) financing activities	1,175	(269)
Net increase (decrease) in cash and cash equivalents	1,877	314
Cash, cash equivalents and restricted cash at beginning of period	164	585
Cash, cash equivalents and restricted cash at end of period	\$ 2,041	\$ 899

See accompanying notes to condensed consolidated financial statements.

Diamondback Energy, Inc. and Subsidiaries
Notes to the Condensed Consolidated Financial Statements
(Unaudited)

1. DESCRIPTION OF THE BUSINESS AND BASIS OF PRESENTATION

Organization and Description of the Business

Diamondback Energy, Inc., together with its subsidiaries (collectively referred to as “Diamondback” or the “Company” unless the context otherwise requires), is an independent oil and natural gas company currently focused on the acquisition, development, exploration and exploitation of unconventional, onshore oil and natural gas reserves primarily in the Permian Basin in West Texas.

As of March 31, 2025, the wholly owned subsidiaries of Diamondback include Diamondback E&P LLC (“Diamondback E&P”), a Delaware limited liability company, Rattler Midstream GP LLC, a Delaware limited liability company, Rattler Midstream LP, a Delaware limited partnership, QEP Resources, Inc., a Delaware corporation and Eclipse Merger Sub II, LLC, a Delaware limited liability company.

Basis of Presentation

The condensed consolidated financial statements include the accounts of the Company and its subsidiaries after all significant intercompany balances and transactions have been eliminated upon consolidation. The Company has one reportable segment, the upstream segment.

On March 5, 2024, the Company exercised certain of its demand rights, pursuant to a registration rights agreement initially entered into on June 23, 2014, as amended and restated on May 9, 2018 and November 10, 2023, and on March 8, 2024, completed a public offering of approximately 13.23 million of Viper’s Class A common stock at a price of \$35.00 per share for proceeds, net of underwriters’ discount, of approximately \$451 million. After this offering, the Company owned less than 50% of Viper’s combined outstanding Class A common stock and Class B common stock, resulting in Viper no longer being a controlled company under the Nasdaq rules. Following the completion of the Viper 2024 Equity Offering (as defined and discussed in Note 10—[Stockholders' Equity and Earnings \(Loss\) Per Share](#)) the Company’s ownership of Viper’s voting securities was further reduced to approximately 45%. However, the Company determined, in each case, that it still controls the activities of Viper in accordance with the guidance for variable interest entities in Accounting Standards Codification (“ASC”) Topic 810, “Consolidation,” and therefore continues to consolidate Viper in the Company’s financial statements at March 31, 2025. See further discussion of the Company’s determination that Viper is a variable interest entity (“VIE”) in Note 2—[Summary of Significant Accounting Policies](#). The results of operations attributable to the non-controlling interest in Viper are presented within equity and net income and are shown separately from the equity and net income attributable to the Company.

As of March 31, 2025, the Company owned approximately 39% of Viper’s combined outstanding Class A common stock and Class B common stock. The results of operations attributable to the non-controlling interest in Viper are presented within equity and net income and are shown separately from the equity and net income attributable to the Company.

These condensed consolidated financial statements have been prepared by the Company without audit, pursuant to the rules and regulations of the SEC. They reflect all adjustments that are, in the opinion of management, necessary for a fair statement of the results for interim periods, on a basis consistent with the annual audited financial statements. All such adjustments are of a normal recurring nature. Certain information, accounting policies and footnote disclosures normally included in financial statements prepared in accordance with GAAP have been omitted pursuant to SEC rules and regulations, although the Company believes the disclosures are adequate to make the information presented not misleading. This Quarterly Report on Form 10-Q should be read in conjunction with the Company’s most recent [Annual Report on Form 10-K](#) for the fiscal year ended December 31, 2024, which contains a summary of the Company’s significant accounting policies and other disclosures.

Reclassifications

Certain prior period amounts have been reclassified to conform to the current period financial statement presentation. These reclassifications had an immaterial effect on the previously reported total assets, total liabilities, stockholders’ equity, results of operations or cash flows.

Diamondback Energy, Inc. and Subsidiaries
Notes to the Condensed Consolidated Financial Statements - (Continued)
(Unaudited)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Use of Estimates

Certain amounts included in or affecting the Company's condensed consolidated financial statements and related disclosures must be estimated by management, requiring certain assumptions to be made with respect to values or conditions that cannot be known with certainty at the time the condensed consolidated financial statements are prepared. These estimates and assumptions affect the amounts the Company reports for assets and liabilities and the Company's disclosure of contingent liabilities as of the date of the condensed consolidated financial statements. Actual results could differ from those estimates.

Making accurate estimates and assumptions is particularly difficult in the oil and natural gas industry given the challenges resulting from volatility in oil and natural gas prices. For instance, the war in Ukraine, the Israel-Hamas war and other conflicts in the Middle East, effects of tariffs, actions taken by OPEC and its non-OPEC allies, known collectively as OPEC+, global supply chain disruptions, measures to combat persistent inflation and instability in the financial sector have contributed to recent economic and pricing volatility. The financial results of companies in the oil and natural gas industry have been impacted materially as a result of these events and changing market conditions. Such circumstances generally increase uncertainty in the Company's accounting estimates, particularly those involving financial forecasts.

The Company evaluates these estimates on an ongoing basis, using historical experience, consultation with experts and other methods the Company considers reasonable in the particular circumstances. Nevertheless, actual results may differ significantly from the Company's estimates. Any effects on the Company's business, financial position or results of operations resulting from revisions to these estimates are recorded in the period in which the facts that give rise to the revision become known. Significant items subject to such estimates and assumptions include estimates of proved oil and natural gas reserves and related present value estimates of future net cash flows therefrom, the carrying value of oil and natural gas properties, fair value estimates of derivative instruments, the fair value determination of assets acquired and liabilities assumed and estimates of income taxes, including deferred tax valuation allowances.

Variable Interest Entity

Viper is a publicly traded corporation formed by the Company in 2014 to provide an attractive return to its stockholders (the largest of which is Diamondback) by focusing on business results, maximizing dividends through organic growth and pursuing accretive growth opportunities through acquisitions of mineral, royalty, overriding royalty, net profits and similar interests from the Company and from third parties. Viper has no employees and the Company provides management, operating and administrative services to Viper under a services and secondment agreement, including the services of the executive officers and other employees.

In connection with the reduction of the Company's ownership percentage in Viper to below 50% in March 2024, the Company re-evaluated whether Viper should continue to be consolidated in the Company's financial statements. Viper meets the definition of a VIE under ASC Topic 810 and the Company continues to be the primary beneficiary of the VIE through its ability, via existing contractual agreements, to direct the activities that most significantly affect the economic performance of Viper. The Company also has the obligation to absorb losses and the right to receive benefits that could be significant to Viper. As such, the Company will continue to consolidate the activity of Viper. Neither the Viper 2024 Equity Offering or the Viper 2025 Equity Offering (as defined and discussed in Note 10—[Stockholders' Equity and Earnings \(Loss\) Per Share](#)) were determined to be events that would cause the Company to change its conclusion regarding Viper's status as a VIE. See Note 17—[Subsequent Events](#) for further discussion of changes in the Company's ownership of Viper.

Viper maintains its own capital structure that is separate from the Company. The Company is not under any obligation to provide additional financial support or investment to Viper. Viper's assets cannot be used by the Company for general corporate purposes, and the creditors of Viper's liabilities do not have recourse to the Company's assets. The assets and liabilities of Viper are included in the Company's condensed consolidated balance sheets and disclosed parenthetically, if material.

Diamondback Energy, Inc. and Subsidiaries
Notes to the Condensed Consolidated Financial Statements - (Continued)
(Unaudited)

Recent Accounting Pronouncements

Recently Adopted Pronouncements

There are no recently adopted pronouncements of significance.

Accounting Pronouncements Not Yet Adopted

In December 2023, the FASB issued ASU 2023-09, “Income Taxes (Topic 740) – Improvements to Income Tax Disclosures,” which requires that certain information in a reporting entity’s tax rate reconciliation be disaggregated and provides additional requirements regarding income taxes paid. The amendments are effective for annual periods beginning after December 15, 2024, with early adoption permitted, and should be applied either prospectively or retrospectively. Management is currently evaluating this ASU to determine its impact on the Company’s disclosures. Adoption of the update will not impact the Company’s financial position, results of operations or liquidity.

In November 2024, the FASB issued ASU 2024-03, “Income Statement—Reporting Comprehensive Income—Expense Disaggregation Disclosures (Subtopic 220-40) – Disaggregation of Income Statement Expenses,” which requires additional disclosure about specified categories of expenses included in relevant expense captions presented on the income statement. The amendments are effective for annual periods beginning after December 15, 2026, and for interim periods within fiscal years beginning after December 15, 2027. Early adoption is permitted. The amendments may be applied either prospectively or retrospectively. Management is currently evaluating this ASU to determine its impact on the Company’s disclosures. Adoption of the update will not impact the Company’s financial position, results of operations or liquidity.

The Company considers the applicability and impact of all ASUs. ASUs not listed above were assessed and determined to be either not applicable, previously disclosed, or not material upon adoption.

3. REVENUE FROM CONTRACTS WITH CUSTOMERS

Revenue from Contracts with Customers

The following tables present the Company’s revenue from contracts with customers:

	Three Months Ended March 31,	
	2025	2024
	(In millions)	
Oil sales	\$ 3,039	\$ 1,867
Natural gas sales	212	50
Natural gas liquid sales	406	184
Total oil, natural gas and natural gas liquid revenues	3,657	2,101
Sales of purchased oil	374	116
Other service revenues	11	8
Total revenue from contracts with customers	<u>\$ 4,042</u>	<u>\$ 2,225</u>

Diamondback Energy, Inc. and Subsidiaries
Notes to the Condensed Consolidated Financial Statements - (Continued)
(Unaudited)

The following tables present the Company's revenue from oil, natural gas, and natural gas liquids disaggregated by basin:

	Three Months Ended March 31, 2025				Three Months Ended March 31, 2024			
	Midland Basin	Delaware Basin	Other	Total	Midland Basin	Delaware Basin	Other	Total
(In millions)								
Oil sales	\$ 2,801	\$ 236	\$ 2	\$ 3,039	\$ 1,503	\$ 360	\$ 4	\$ 1,867
Natural gas sales	191	20	1	212	34	15	1	50
Natural gas liquid sales	374	31	1	406	137	47	—	184
Total	\$ 3,366	\$ 287	\$ 4	\$ 3,657	\$ 1,674	\$ 422	\$ 5	\$ 2,101

4. ACQUISITIONS AND DIVESTITURES

2025 Activity

See Note 17—[Subsequent Events](#) for details on acquisition and divestiture activity subsequent to March 31, 2025.

2024 Activity

Diamondback Acquisitions and Divestitures

Endeavor Acquisition

For details on the Endeavor Acquisition, which closed on September 10, 2024, see Note 5—[Endeavor Energy Resources, LP Acquisition](#).

TRP Energy, LLC Asset Exchange

On December 20, 2024, the Company completed a transaction with TRP Energy, LLC (“TRP”), in which the Company exchanged certain assets including approximately 47,034 gross (35,673 net) acres located in the Delaware Basin and \$325 million in cash, subject to customary post-closing adjustments, for certain of TRP's assets consisting of approximately 21,582 gross (15,421 net) acres located in the Midland Basin with 55 operated locations (the “TRP Exchange”). The TRP Exchange is expected to expand our operating footprint and enhance our inventory of near-term drilling locations, and was valued at approximately \$1.4 billion. The Company funded the cash portion of the exchange with cash on hand and borrowings under its revolving credit facility.

The following table presents the acquisition consideration transferred in the TRP Exchange (in millions):

Consideration:	
Oil and natural gas properties	\$ 989
Midstream assets	53
Suspense liabilities relieved	(9)
Cash consideration	325
Total consideration	\$ 1,358

Acquisition Date Fair Value of Consideration Transferred

The acquisition date fair value of oil and natural gas properties transferred was determined using an income approach utilizing the discounted cash flow method, which takes into account production forecasts, projected commodity prices and pricing differentials, and estimates of future capital and operating costs which were then discounted utilizing an estimated weighted-average cost of capital for industry market participants. These inputs are not observable in the market and are considered level 3 inputs within the fair value hierarchy. The oil and natural gas properties transferred did not significantly impact the Company's capitalized costs or proved reserves as of December 31, 2024.

Diamondback Energy, Inc. and Subsidiaries
Notes to the Condensed Consolidated Financial Statements - (Continued)
(Unaudited)

The acquisition date fair value of midstream assets transferred was determined based on the cost approach, which utilized asset listings and cost records with consideration for the age, condition, utilization and economic support of the assets.

Allocation of Consideration Transferred

The TRP Exchange has been accounted for under the acquisition method of accounting for business combinations in accordance with ASC Topic 805, "Business Combinations." The following table represents the allocation of the total consideration transferred in the TRP Exchange to the identifiable assets acquired and the liabilities assumed based on the fair values at the acquisition date. Although the allocation of consideration transferred is substantially complete as of the date of this filing, title to properties exchanged remain subject to change as the details of the transaction are finalized subsequent to closing. As such, there may be further adjustments to the fair value of certain assets acquired and liabilities assumed. The allocation of consideration transferred will be finalized within twelve months of the closing date of the transaction.

The following table sets forth the Company's preliminary purchase price allocation (in millions):

Total consideration	\$	1,358
Fair value of liabilities assumed:		
Suspense liabilities		(3)
Fair value of assets acquired:		
Oil and natural gas properties		1,361
Net assets acquired and liabilities assumed	\$	1,358

Oil and natural gas properties acquired were valued using an income approach utilizing the discounted cash flow method, which takes into account production forecasts, projected commodity prices and pricing differentials, and estimates of future capital and operating costs which were then discounted utilizing an estimated weighted-average cost of capital for industry market participants. These inputs are not observable in the market and are considered level 3 inputs within the fair value hierarchy.

With the completion of the TRP Exchange, the Company acquired proved properties of \$860 million and unproved properties of \$501 million.

The results of operations attributable to the TRP Exchange since the acquisition date have been included in the condensed consolidated statements of operations and include \$127 million of total revenue and \$111 million of net income for the three months ended March 31, 2025.

WTG Midstream Transaction

The Company owns a 25% non-operating equity investment in Remuda Midstream Holdings LLC, referred to as the "WTG joint venture." On July 15, 2024, the WTG joint venture sold its WTG Midstream LLC subsidiary (the "WTG Midstream Transaction"), for which the Company received as its portion of the consideration 10.1 million common units issued by Energy Transfer LP (NYSE: ET) and \$190 million in cash, subject to customary post-closing adjustments. The common unit consideration is also subject to preferred distributions to incentive members of the WTG joint venture which reduce the proceeds attributable to the Company. At the closing of the WTG Midstream Transaction, the value attributable to the Company of the 10.1 million common units was approximately \$135 million, of which approximately \$81 million was received by the Company and \$54 million was initially held in escrow pursuant to an escrow agreement entered into by the WTG joint venture in connection with the initial transaction. In the first quarter of 2025, the Company received approximately \$15 million related to the settlement of working capital and \$27 million of the initial escrow amount was released. The total value of distributions received by the Company through March 31, 2025 of \$313 million, including certain customary post-closing adjustments, (excluding the remaining \$27 million held in escrow) exceeded the carrying value of the Company's investment balance in the WTG joint venture, resulting in an aggregate gain of approximately \$116 million, of which approximately \$42 million was recognized during the three months ended March 31, 2025. The gain is included in the caption "Other income (expense), net" in the condensed consolidated statement of operations.

Diamondback Energy, Inc. and Subsidiaries
Notes to the Condensed Consolidated Financial Statements - (Continued)
(Unaudited)

Viper Acquisitions

Viper Tumbleweed Acquisitions

In September and October of 2024, Viper completed a series of related acquisitions including the Viper TWR Acquisition, the Viper Q Acquisition and the Viper M Acquisition, collectively the (“Viper Tumbleweed Acquisitions”), each as defined and discussed below.

On October 1, 2024, Viper acquired all of the issued and outstanding equity interests in TWR IV, LLC and TWR IV SellCo, LLC from Tumbleweed Royalty IV, LLC (“TWR IV”) and TWR IV SellCo Parent, LLC (the “Viper TWR Acquisition”), pursuant to a definitive purchase and sale agreement for consideration consisting of approximately (i) \$464 million in cash, including transaction costs and certain customary post-closing adjustments, (ii) 10.09 million Viper LLC units to TWR IV, (iii) an option for TWR IV to acquire up to 10.09 million shares of Viper’s Class B Common Stock (the “TWR Class B Option”), and (iv) contingent cash consideration of up to \$41 million, payable in January of 2026, based on the average price of WTI sweet crude oil prompt month futures contracts for the calendar year 2025 (the “WTI 2025 Average”).

TWR IV can exchange some or all of the Viper LLC units received for an equal number of shares of Viper’s Class A common stock. The mineral and royalty interests acquired in the Viper TWR Acquisition represent approximately 3,067 net royalty acres located primarily in the Permian Basin. Viper funded the cash consideration through a combination of cash on hand, borrowings under the Viper LLC credit agreement and proceeds from the Viper 2024 Equity Offering (as defined and discussed in Note 10—[Stockholders' Equity and Earnings \(Loss\) Per Share](#)).

On September 3, 2024, Viper acquired all of the issued and outstanding equity interests in Tumbleweed-Q Royalties, LLC (the “Viper Q Acquisition”), pursuant to a definitive purchase and sale agreement for consideration consisting of (i) approximately \$114 million in cash, including transaction costs and certain customary post-closing adjustments, and (ii) contingent cash consideration of up to \$5 million, payable in January of 2026, based on the WTI 2025 Average.

Additionally, on September 3, 2024, Viper acquired all of the issued and outstanding equity interests in MC TWR Royalties, LP and MC TWR Intermediate, LLC (the “Viper M Acquisition” and together with the Viper Q Acquisition, the “Viper Q & M Acquisitions”), pursuant to a definitive purchase and sale agreement for consideration consisting of (i) approximately \$76 million in cash, including transaction costs and certain customary post-closing adjustments, and (ii) contingent cash consideration of up to \$4 million, payable in January of 2026, based on the WTI 2025 Average. The mineral and royalty interests acquired in the Viper Q & M Acquisitions, represent approximately 406 and 267 net royalty acres located primarily in the Permian Basin, respectively. Viper funded the cash consideration for the Viper Q & M Acquisitions through a combination of cash on hand and borrowings under the Viper LLC credit agreement.

See Note 14—[Fair Value Measurements](#) for further discussion of the fair value of the contingent consideration liabilities for each of the Viper Tumbleweed Acquisitions discussed above (collectively, the “2026 WTI Contingent Liability”).

5. ENDEAVOR ENERGY RESOURCES, LP ACQUISITION

On September 10, 2024, the Company completed its acquisition of Endeavor Parent, LLC (“Endeavor”) (the “Endeavor Acquisition”) for consideration consisting of (i) \$7.1 billion in cash paid to the Endeavor equityholders, (ii) \$238 million for the repayment of Endeavor’s net debt, which included the \$219 million net debt position and the associated \$19 million make-whole premium paid upon redemption of the senior notes and costs incurred to terminate Endeavor’s revolving credit facility, and (iii) approximately 117.27 million shares of the Company’s common stock. The Endeavor Acquisition included approximately 500,849 gross (361,927 net) acres, which are primarily located in the Permian Basin. Following the Endeavor Acquisition, the Company believes its inventory has industry-leading depth and quality that will be converted into cash flow with the industry’s lowest cost structure, creating a differentiated value proposition for Diamondback stockholders.

The cash consideration for the Endeavor Acquisition was funded through a combination of cash on hand, the net proceeds from the Company’s April 2024 Notes offering and borrowings under the Tranche A Loans (as defined and discussed in Note 9—[Debt](#)). Immediately following the close of the Endeavor Acquisition, Endeavor equityholders held approximately 39.8% of Diamondback’s common stock. As of March 31, 2025, Endeavor’s equityholders held approximately 36.2% of the Company’s common stock.

Diamondback Energy, Inc. and Subsidiaries
Notes to the Condensed Consolidated Financial Statements - (Continued)
(Unaudited)

Following the closing of the Endeavor Acquisition, the Company filed with the SEC a shelf registration statement, which became immediately effective upon filing, registering for resale the shares of common stock issued in the Endeavor Acquisition, as required by the terms of the related registration rights agreement.

The following table presents the acquisition consideration paid to Endeavor equityholders in the Endeavor Acquisition (in millions, except per share data, shares in thousands):

Consideration:		
Shares of Diamondback common stock issued at closing		117,267
Closing price per share of Diamondback common stock on the closing date	\$	171.49
Fair value of Diamondback common stock issued	\$	20,110
Base cash amount	\$	8,000
Preliminary closing adjustments		(928)
Cash consideration to Endeavor equityholders		7,072
Cash payment of net debt position and make-whole amount		238
Total cash consideration		7,310
Total consideration (including fair value of Diamondback common stock issued)	\$	27,420

Purchase Price Allocation

The Endeavor Acquisition has been accounted for under the acquisition method of accounting for business combinations in accordance with ASC Topic 805, "Business Combinations." The following table represents the preliminary allocation of the total purchase price for the acquisition of Endeavor to the identifiable assets acquired and the liabilities assumed based on the fair values at the acquisition date. Although the purchase price allocation is substantially complete as of the date of this filing, certain data necessary to complete the purchase price allocation is not yet available, including, but not limited to, final tax returns that provide the underlying tax basis of Endeavor's assets and liabilities. As such, there may be further adjustments to the fair value of certain assets acquired and liabilities assumed, including Endeavor's deferred tax liability, oil and natural gas properties, which include mineral and royalty interests acquired, and other property and equipment. The Company expects to complete the purchase price allocation during the 12-month period following the acquisition date.

Diamondback Energy, Inc. and Subsidiaries
Notes to the Condensed Consolidated Financial Statements - (Continued)
(Unaudited)

The following table sets forth the Company's preliminary purchase price allocation (in millions):

Total consideration	\$	27,420
Fair value of liabilities assumed:		
Accounts payable - trade	\$	18
Accrued capital expenditures		173
Other accrued liabilities		613
Revenues and royalties payable		567
Derivative instruments		5
Income taxes payable		261
Other current liabilities		21
Asset retirement obligations		260
Deferred income taxes		7,211
Other long-term liabilities		5
Amount attributable to liabilities acquired	\$	9,134
Fair value of assets acquired:		
Accounts receivable - joint interest and other, net	\$	69
Accounts receivable - oil and natural gas sales, net		659
Inventories		77
Derivative instruments		25
Prepaid expenses and other current assets		20
Oil and natural gas properties		34,824
Other property, equipment and land		849
Other assets		31
Amount attributable to assets acquired	\$	36,554
Net assets acquired and liabilities assumed	\$	27,420

The purchase price allocation above is based on the fair values of the assets and liabilities of Endeavor as of the closing date of the Endeavor Acquisition. The majority of the value of assets acquired and liabilities assumed was measured based on inputs that are not observable in the market and are therefore considered Level 3 inputs. The fair value of acquired property and equipment is based on the cost approach, which utilized asset listings and cost records with consideration for the reported age, condition, utilization and economic support of the assets. Oil and natural gas properties were valued using an income approach utilizing the discounted cash flow method, which takes into account production and mineral interest forecasts, projected commodity prices and pricing differentials, and estimates of future capital and operating costs which were then discounted utilizing an estimated weighted-average cost of capital for industry market participants. The value of derivative instruments was based on observable inputs including forward commodity-price curves which are considered Level 2 inputs. Deferred income taxes represent the tax effects of differences in the tax basis and acquisition-date fair values of assets acquired and liabilities assumed. The fair values of asset retirement obligations and inventories were calculated in accordance with the Company's internal policies as described in [Note 2—Summary of Significant Accounting Policies in the Company's Annual Report on Form 10-K](#) for the year ended December 31, 2024. The fair values of various current assets and liabilities including accounts receivable and accounts payable approximate their carrying values on the closing date of the Endeavor Acquisition because of the short-term nature of the instruments.

With the completion of the Endeavor Acquisition, the Company acquired proved properties of \$20.6 billion and unproved properties of \$14.2 billion, primarily in the Midland Basin.

The results of operations attributable to the Endeavor Acquisition since the acquisition date have been included in the condensed consolidated statements of operations and include \$1.4 billion of total revenue and \$477 million of net income for the three months ended March 31, 2025.

Diamondback Energy, Inc. and Subsidiaries
Notes to the Condensed Consolidated Financial Statements - (Continued)
(Unaudited)

6. PROPERTY AND EQUIPMENT

Property and equipment includes the following as of the dates indicated:

	March 31, 2025	December 31, 2024
(In millions)		
Oil and natural gas properties:		
Subject to depletion	\$ 61,708	\$ 59,574
Not subject to depletion	22,019	22,666
Gross oil and natural gas properties	83,727	82,240
Accumulated depletion	(12,143)	(11,083)
Accumulated impairment	(7,954)	(7,954)
Oil and natural gas properties, net	63,630	63,203
Other property, equipment and land	1,452	1,440
Accumulated depreciation, amortization, accretion and impairment	(186)	(171)
Total property and equipment, net	\$ 64,896	\$ 64,472

Under the full cost method of accounting, the Company is required to perform a ceiling test each quarter which determines a limit, or ceiling, on the book value of proved oil and natural gas properties. No impairment expense was recorded for the three months ended March 31, 2025 or 2024 based on the results of the respective quarterly ceiling tests.

In addition to commodity prices, the Company's production rates, levels of proved reserves, future development costs, transfers of unevaluated properties and other factors will determine its actual ceiling test calculation and impairment analysis in future periods. If the future trailing 12-month commodity prices decline as compared to the commodity prices used in prior quarters, the Company may have material write downs in subsequent quarters. It is possible that circumstances requiring additional impairment testing will occur in future interim periods, which could result in potentially material impairment charges being recorded.

7. ASSET RETIREMENT OBLIGATIONS

The following table describes the changes to the Company's asset retirement obligations liability for the following periods:

	Three Months Ended March 31,	
	2025	2024
(In millions)		
Asset retirement obligations, beginning of period	\$ 592	\$ 245
Additional liabilities incurred	16	1
Liabilities acquired	1	1
Liabilities settled and divested	(12)	(7)
Accretion expense	9	3
Revisions in estimated liabilities	1	31
Asset retirement obligations, end of period	607	274
Less current portion ⁽¹⁾	21	8
Asset retirement obligations - long-term	\$ 586	\$ 266

(1) The current portion of the asset retirement obligation is included in the caption "Other accrued liabilities" in the Company's condensed consolidated balance sheets.

Diamondback Energy, Inc. and Subsidiaries
Notes to the Condensed Consolidated Financial Statements - (Continued)
(Unaudited)

8. RELATED PARTY TRANSACTIONS

Viper

During the first quarter of 2025, Viper deposited approximately \$223 million of cash into escrow pursuant to an equity purchase agreement for the 2025 Drop Down (as defined and discussed in Note 17—[Subsequent Events](#)). Viper’s escrow deposit is reflected in the caption “Restricted cash” on the Company’s condensed consolidated balance sheet at March 31, 2025.

Deep Blue

On September 1, 2023, the Company closed on a joint venture agreement with Five Point Energy LLC to form Deep Blue Midland Basin LLC (“Deep Blue”), in which the Company owns 30% equity ownership interest. In addition to the Deep Blue transaction, the Company has other significant related party transactions with Deep Blue which include (i) certain accounts receivable from Deep Blue, (ii) accrued capital expenditures and other accrued payables related to a commitment to fund certain capital expenditures on projects that were in process at the time of the Deep Blue transaction, and (iii) lease operating expenses and capitalized expenses related to fees paid to Deep Blue under a 15-year dedication for its produced water and supply water within a 12-county area of mutual interest in the Midland Basin.

The following table presents the significant related party balances included in the condensed consolidated balance sheets at March 31, 2025 and December 31, 2024:

	March 31, 2025	December 31, 2024
(In millions)		
Current assets - Accounts receivable	\$ 5	\$ 5
Long-term assets - Equity method investments	\$ 145	\$ 137
Current liabilities - Accrued capital expenditures	\$ (30)	\$ (31)
Current liabilities - Other accrued liabilities	\$ (36)	\$ (22)

During the three months ended March 31, 2025 and 2024, the Company recorded approximately \$47 million and \$31 million, respectively, for water services provided by Deep Blue during the completion phase of wells. These costs were capitalized and are included in the caption “Oil and natural gas properties” on the condensed consolidated balance sheets.

The following table presents the significant related party transactions included in the condensed consolidated statements of operations for the three months ended March 31, 2025 and 2024:

	Three Months Ended March 31,	
	2025	2024
(In millions)		
Lease operating expenses	\$ 37	\$ 26

Diamondback Energy, Inc. and Subsidiaries
Notes to the Condensed Consolidated Financial Statements - (Continued)
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9. DEBT

Long-term debt consisted of the following as of the dates indicated:

	March 31, 2025	December 31, 2024
	(In millions)	
3.250% Senior Notes due 2026	\$ 750	\$ 750
5.625% Senior Notes due 2026	14	14
5.200% Senior Notes due 2027	850	850
7.125% Medium-term Notes, Series B, due 2028	73	73
3.500% Senior Notes due 2029	915	915
5.150% Senior Notes due 2030	850	850
3.125% Senior Notes due 2031	767	767
6.250% Senior Notes due 2033	1,100	1,100
5.400% Senior Notes due 2034	1,300	1,300
5.550% Senior Notes due 2035	1,200	—
4.400% Senior Notes due 2051	650	650
4.250% Senior Notes due 2052	750	750
6.250% Senior Notes due 2053	650	650
5.750% Senior Notes due 2054	1,500	1,500
5.900% Senior Notes due 2064	1,000	1,000
Tranche A Loans	900	900
Unamortized debt issuance costs	(98)	(91)
Unamortized discount costs	(25)	(25)
Unamortized premium costs	2	3
Unamortized basis adjustment of dedesignated interest rate swap agreements ⁽¹⁾	(68)	(72)
Viper revolving credit facility	—	261
Viper 5.375% Senior Notes due 2027	430	430
Viper 7.375% Senior Notes due 2031	400	400
Total debt, net	13,910	12,975
Less: current maturities of debt	914	900
Total long-term debt	\$ 12,996	\$ 12,075

(1) Represents the unamortized basis adjustment related to two receive-fixed, pay variable interest rate swap agreements which were previously designated as fair value hedges of the Company's \$1.2 billion 3.500% fixed rate senior notes due 2029. This basis adjustment is being amortized to interest expense over the remaining term of the 2029 Notes utilizing the effective interest method.

References in this section to the Company shall mean Diamondback Energy, Inc. and Diamondback E&P, collectively, unless otherwise specified.

Credit Agreement

On March 21, 2025, Diamondback E&P, as borrower, and Diamondback Energy, Inc., as parent guarantor, entered into a fifteenth amendment to the existing credit agreement, which made certain amendments to the representations and warranties that must be made to fund the loans under the 2025 Term Loan Agreement (defined below). The credit agreement provides for a maximum credit amount of \$2.5 billion. As of March 31, 2025, the Company had no outstanding borrowings under the credit agreement and approximately \$2.5 billion available for future borrowings. During the three months ended March 31, 2025, the weighted average interest rate on borrowings under the credit agreement was 5.92%. The credit agreement matures on June 2, 2029.

As of March 31, 2025, the Company was in compliance with all financial maintenance covenants under the credit agreement.

Diamondback Energy, Inc. and Subsidiaries
Notes to the Condensed Consolidated Financial Statements - (Continued)
(Unaudited)

Term Loan Agreements

2025 Term Loan Agreement

In connection with the Double Eagle Acquisition (as defined and discussed in Note 17—[Subsequent Events](#)), Diamondback Energy, Inc., as guarantor, entered into a Term Loan Credit Agreement with Diamondback E&P LLC, as borrower, and Bank of America, N.A., as administrative agent (the “2025 Term Loan Agreement”) on March 21, 2025.

The 2025 Term Loan Agreement provides the Company with the ability to borrow up to \$1.5 billion on an unsecured basis to fund a portion of the cash consideration for the Double Eagle Acquisition (as defined and discussed in Note 17—[Subsequent Events](#)) and costs and expenses related to the acquisition. As of March 31, 2025, the Company had no outstanding borrowings under the 2025 Term Loan Agreement.

On the date of closing of the Double Eagle Acquisition, the entire amount available under the 2025 Term Loan Agreement was drawn in a single borrowing. Any remaining outstanding amounts will mature and be payable in full on the second anniversary of the initial funding date.

Outstanding borrowings under the Term Loan Agreement bear interest at a per annum rate elected by the Company that is equal to (i) term SOFR plus 0.10% (“Adjusted Term SOFR”) or (ii) an alternate base rate (which is equal to the greatest of (a) the federal funds effective rate plus 0.50%, (b) the prime rate (c) Adjusted Term SOFR plus 1.0%, and (d) 1.0%), in each case plus the applicable margin. The applicable margin ranges from 0.125% to 1.000% per annum in the case of the alternate base rate, and from 1.125% to 2.000% per annum in the case of Adjusted Term SOFR, in each case based on the pricing level, and (ii) the commitment fee is equal to 0.125% per annum on the aggregate principal amount of the commitments. The pricing level depends on the Company’s long-term senior unsecured debt ratings.

2024 Term Loan Agreement

On February 29, 2024, Diamondback Energy, Inc., as guarantor, entered into a Term Loan Credit Agreement with Diamondback E&P LLC, as borrower, and Citibank, N.A., as administrative agent (the “2024 Term Loan Agreement”), which at March 31, 2025, is comprised of \$1.0 billion of Tranche A Loans (the “Tranche A Loans”). The Tranche A Loans were drawn to fund a portion of the cash consideration for the Endeavor Acquisition. The initial Tranche A Loans were made in a single borrowing on the date of closing of the Endeavor Acquisition (the “Closing Date”) and any remaining outstanding amounts will mature and be payable in full on the first anniversary of the Closing Date.

As of March 31, 2025, the Company had \$900 million in outstanding borrowings under the Tranche A Loans. During the three months ended March 31, 2025, the weighted average interest rate on borrowings under the Term Loan Agreement was 5.68%.

Issuance of Notes

On March 20, 2025, the Company issued \$1.2 billion aggregate principal amount of 5.550% Senior Notes due April 1, 2035 (the “2035 Notes”). The Company received net proceeds of \$1.2 billion, after underwriters’ discounts and transaction costs. Interest on the 2035 Notes is payable semi-annually on April 1 and October 1 of each year. The Company used the net proceeds to fund a portion of the cash consideration for the Double Eagle Acquisition (as defined and discussed in Note 17—[Subsequent Events](#)) in the second quarter of 2025.

The 2035 Notes are included in the Guaranteed Senior Notes for the Company, which are senior unsecured obligations and are fully and unconditionally guaranteed by Diamondback E&P, are senior in right of payment to any of the Company’s future subordinated indebtedness and rank equal in right of payment with all of the Company’s existing and future senior indebtedness.

Viper’s Credit Agreement

Viper LLC’s credit agreement, as amended to date, provides for a revolving credit facility in the maximum credit amount of \$2.0 billion with a borrowing base of \$1.3 billion. As of March 31, 2025, the elected commitment amount was \$1.3 billion, with no outstanding borrowings and \$1.3 billion available for future borrowings. During the three months ended

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March 31, 2025 and 2024, the weighted average interest rates on borrowings under the Viper credit agreement were 6.57% and 7.65%, respectively. The revolving credit facility will mature on September 22, 2028. As of March 31, 2025, Viper LLC was in compliance with all financial maintenance covenants under the Viper LLC credit agreement.

10. STOCKHOLDERS' EQUITY AND EARNINGS (LOSS) PER SHARE

Stock Repurchase Program

The Company's board of directors approved a common stock repurchase program to acquire up to \$6.0 billion of the Company's outstanding common stock, excluding excise tax. Purchases under the repurchase program may be made from time to time in open market or privately negotiated transactions, and are subject to market conditions, applicable regulatory and legal requirements, contractual obligations and other factors. The repurchase program does not require the Company to acquire any specific number of shares. This repurchase program may be suspended from time to time, modified, extended or discontinued by the board of directors at any time. During the three months ended March 31, 2025 and 2024, the Company repurchased approximately \$575 million, and \$42 million of common stock under this repurchase program, respectively, in each case excluding excise tax. As of March 31, 2025, approximately \$2.1 billion remained available for future repurchases under the Company's common stock repurchase program, excluding excise tax.

Viper 2025 Equity Offering

On February 3, 2025, Viper completed an underwritten public offering of approximately 28.34 million shares of Viper's Class A common stock, which included 3.70 million shares issued pursuant to an option to purchase additional shares of Viper's Class A common stock granted to the underwriters, at a price to the public of \$44.50 per share for total net proceeds of approximately \$1.2 billion, after the underwriters' discount and transaction costs (the "Viper 2025 Equity Offering"). The net proceeds were used to fund (i) a portion of the cash consideration for the 2025 Drop Down (as defined and discussed in Note 17—[Subsequent Events](#)), (ii) cash consideration for other acquisitions, and (iii) for general corporate purposes.

Viper 2024 Equity Offering

On September 13, 2024, Viper completed an underwritten public offering of approximately 11.5 million shares of its Class A common stock, which included 1.5 million shares issued pursuant to an option to purchase additional shares of Class A common stock granted to the underwriters, at a price to the public of \$42.50 per share for total net proceeds to Viper of approximately \$476 million, after underwriters' discounts and transaction costs (the "Viper 2024 Equity Offering"). The net proceeds were used to fund a portion of the cash consideration for the Viper TWR Acquisition.

Change in Ownership of Consolidated Subsidiaries

Non-controlling interests in the accompanying condensed consolidated financial statements represent minority interest ownership in Viper and are presented as a component of equity. When the Company's relative ownership interests in Viper change, adjustments to non-controlling interest and additional paid-in-capital, tax effected, will occur.

The following table summarizes changes in the ownership interest in consolidated subsidiaries during the periods presented:

	Three Months Ended March 31,	
	2025	2024
	(In millions)	
Net income (loss) attributable to the Company	\$ 1,405	\$ 768
Change in ownership of consolidated subsidiaries	206	(55)
Change from net income (loss) attributable to the Company's stockholders and transfers with non-controlling interest	<u>\$ 1,611</u>	<u>\$ 713</u>

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Dividends

The following table presents dividends and distribution equivalent rights paid on the Company's common stock during the respective periods:

	Base	Variable	Total Per Share	Total
	(In millions, except per share amounts)			
2025				
First quarter	\$ 1.00	\$ —	\$ 1.00	\$ 291
2024				
First quarter	\$ 0.90	\$ 2.18	\$ 3.08	\$ 552

Earnings (Loss) Per Share

The Company's earnings (loss) per share amounts have been computed using the two-class method. The two-class method is an earnings allocation proportional to the respective ownership among holders of common stock and participating securities. Basic earnings (loss) per share amounts have been computed based on the weighted-average number of shares of common stock outstanding for the period. Diluted earnings per share include the effect of potentially dilutive non-participating securities outstanding for the period. Additionally, the per share earnings of Viper are included in the consolidated earnings per share computation based on the consolidated group's holdings of the subsidiaries.

A reconciliation of the components of basic and diluted earnings per common share is presented below:

	Three Months Ended March 31,	
	2025	2024
	(In millions, except per share amounts, shares in thousands)	
Net income (loss) attributable to common shares	\$ 1,405	\$ 768
Less: distributed and undistributed earnings allocated to participating securities ⁽¹⁾	6	5
Net income (loss) attributable to common stockholders	\$ 1,399	\$ 763
Weighted average common shares outstanding:		
Basic weighted average common shares outstanding	289,612	178,477
Effect of dilutive securities:		
Weighted-average potential common shares issuable	—	—
Diluted weighted average common shares outstanding	289,612	178,477
Basic net income (loss) attributable to common shares	\$ 4.83	\$ 4.28
Diluted net income (loss) attributable to common shares	\$ 4.83	\$ 4.28

(1) Unvested restricted stock awards and performance stock awards that contain non-forfeitable distribution equivalent rights are considered participating securities and therefore are included in the earnings per share calculation pursuant to the two-class method.

See Note 17—[Subsequent Events](#) for further discussion of common stock issued for acquisitions subsequent to March 31, 2025.

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11. EQUITY-BASED COMPENSATION

Under the Equity Plan approved by the board of directors, the Company is authorized to issue up to 11.8 million shares of incentive and non-statutory stock options, restricted stock awards and restricted stock units, performance awards and stock appreciation rights to eligible employees. The Company currently has outstanding restricted stock units and performance-based restricted stock units under the Equity Plan. At March 31, 2025, approximately 3.8 million shares of common stock remain available for future grants under the Equity Plan. The Company classifies its restricted stock units and performance-based restricted stock units as equity-based awards and estimates the fair values of restricted stock awards and units as the closing price of the Company's common stock on the grant date of the award, which is expensed over the applicable vesting period.

In addition to the Equity Plan, Viper maintains its own long-term incentive plan, which is not significant to the Company.

The following table presents the financial statement impacts of equity compensation plans and related costs on the Company's financial statements:

	Three Months Ended March 31,	
	2025	2024
	(In millions)	
General and administrative expenses	\$ 18	\$ 14
Equity-based compensation capitalized pursuant to full cost method of accounting for oil and natural gas properties	\$ 5	\$ 7

Restricted Stock Units

The following table presents the Company's restricted stock unit activity during the three months ended March 31, 2025 under the Equity Plan:

	Restricted Stock Units	Weighted Average Grant- Date Fair Value
Unvested at December 31, 2024	645,408	\$ 159.84
Granted	636,843	\$ 149.98
Vested	(107,814)	\$ 158.26
Forfeited	(18,782)	\$ 155.78
Unvested at March 31, 2025	<u>1,155,655</u>	<u>\$ 154.62</u>

The aggregate grant date fair value of restricted stock units that vested during the three months ended March 31, 2025 was \$17 million. As of March 31, 2025, the Company's unrecognized compensation cost related to unvested restricted stock units was \$155 million, which is expected to be recognized over a weighted-average period of 2.5 years.

Performance Based Restricted Stock Units

The following table presents the Company's performance restricted stock units activity under the Equity Plan for the three months ended March 31, 2025:

	Performance Restricted Stock Units	Weighted Average Grant-Date Fair Value
Unvested at December 31, 2024	278,902	\$ 278.72
Granted	171,638	\$ 222.34
Vested	(6,590)	\$ 158.96
Unvested at March 31, 2025 ⁽¹⁾	<u>443,950</u>	<u>\$ 258.70</u>

(1) A maximum of 1,070,323 units could be awarded based upon the Company's final TSR ranking.

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As of March 31, 2025, the Company's unrecognized compensation cost related to unvested performance based restricted stock awards and units was \$72 million, which is expected to be recognized over a weighted-average period of 2.0 years.

In March 2025, eligible employees received performance restricted stock unit awards totaling 171,638 units from which a minimum of 0% and a maximum of 200% of the units could be awarded based upon the measurement of total stockholder return of the Company's common stock as compared to a designated peer group during the three-year performance period of January 1, 2025 to December 31, 2027 and cliff vest at December 31, 2027 subject to continued employment. The initial payout of the March 2025 awards will be further adjusted by a TSR modifier that may reduce the payout or increase the payout up to a maximum of 250%.

The fair value of each performance restricted stock unit issuance is estimated at the date of grant using a Monte Carlo simulation, which results in an expected percentage of units to be earned during the performance period.

The following table presents a summary of the grant-date fair values of performance restricted stock units granted and the related assumptions for the awards granted during the periods presented:

	March 2025
Grant-date fair value	\$ 222.34
Risk-free rate	3.99 %
Company volatility	34.60 %

12. INCOME TAXES

The following table provides the Company's provision for (benefit from) income taxes and the effective income tax rate for the periods indicated:

	Three Months Ended March 31,	
	2025	2024
	(In millions, except for tax rate)	
Provision for (benefit from) income taxes	\$ 403	\$ 223
Effective income tax rate	21.3 %	21.6 %

Total income tax expense from continuing operations for the three months ended March 31, 2025 differed from amounts computed by applying the U.S. federal statutory tax rate to pre-tax income primarily due to (i) state income taxes, net of federal benefit, (ii) the effect of research and development tax credits, (iii) limitations on the deduction of certain permanent items, and (iv) other permanent differences between book and taxable income. For the three months ended March 31, 2024, total income tax expense from continuing operations differed from amounts computed by applying the U.S. federal statutory tax rate to pre-tax income primarily due to (i) state income taxes, net of federal benefit, and (ii) the impact of permanent differences between book and taxable income.

In connection with the closing of the Endeavor Acquisition, the Company recognized a \$7.2 billion deferred tax liability.

In connection with the Company's public offering of Viper's Class A common stock and resulting decrease in its ownership of Viper in March 2024, the Company recorded a \$36 million increase in tax payable and a \$3 million increase in deferred tax liability through paid in capital and an \$18 million increase in the deferred tax asset, net of valuation allowance, through non-controlling interest on the Company's condensed consolidated balance sheet.

Based on application of the Inflation Reduction Act of 2022 guidance, the Company's income tax expense for the three months ended March 31, 2025 was not impacted by the corporate alternative minimum tax.

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13. DERIVATIVES

At March 31, 2025, the Company has commodity derivative contracts and interest rate swaps outstanding. All derivative financial instruments are recorded at fair value.

Commodity Contracts

The Company has entered into multiple crude oil and natural gas derivatives, indexed to the respective indices as noted in the table below, to reduce price volatility associated with certain of its oil and natural gas sales. The Company has not designated its commodity derivative instruments as hedges for accounting purposes and, as a result, marks its commodity derivative instruments to fair value and recognizes the cash and non-cash changes in fair value in the condensed consolidated statements of operations under the caption “Gain (loss) on derivative instruments, net.”

By using derivative instruments to economically hedge exposure to changes in commodity prices, the Company exposes itself to credit risk and market risk. Credit risk is the failure of the counterparty to perform under the terms of the derivative contract. When the fair value of a derivative contract is positive, the counterparty owes the Company, which creates credit risk. The Company has entered into commodity derivative instruments only with counterparties that are also lenders under its credit facility and have been deemed an acceptable credit risk. As such, collateral is not required from either the counterparties or the Company on its outstanding commodity derivative contracts.

As of March 31, 2025, the Company had the following outstanding commodity derivative contracts. When aggregating multiple contracts, the weighted average contract price is disclosed.

Settlement Month	Settlement Year	Type of Contract	Bbls/MMBtu Per Day	Index	Swaps	Collars		
					Weighted Average Differential	Weighted Average Floor Price	Weighted Average Ceiling Price	
OIL								
Apr. - Dec.	2025	Roll Swap	25,000	WTI Cushing	\$0.93	\$—	\$—	
Apr. - Dec.	2025	Basis Swap ⁽¹⁾	71,000	Argus WTI Midland	\$1.05	\$—	\$—	
NATURAL GAS								
Apr. - Dec.	2025	Costless Collar	690,000	Henry Hub	\$—	\$2.49	\$5.28	
Jan. - Dec.	2026	Costless Collar	560,000	Henry Hub	\$—	\$2.70	\$6.35	
Jan. - Dec.	2027	Costless Collar	40,000	Henry Hub	\$—	\$3.00	\$6.65	
Apr. - Dec.	2025	Basis Swap ⁽¹⁾	610,000	Waha Hub	\$(0.88)	\$—	\$—	
May - Dec.	2025	Basis Swap ⁽¹⁾	20,000	HSC Hub	\$(0.49)	\$—	\$—	
Jan. - Dec.	2026	Basis Swap ⁽¹⁾	250,000	Waha Hub	\$(1.44)	\$—	\$—	
Jan. - Dec.	2027	Basis Swap ⁽¹⁾	220,000	Waha Hub	\$(1.46)	\$—	\$—	

(1) The Company has fixed price basis swaps for the spread between the Cushing crude oil price and the Midland WTI crude oil price as well as the spread between the Henry Hub natural gas price, the Waha Hub and the HSC Hub natural gas price. The weighted average differential represents the amount of reduction to the Cushing, Oklahoma oil price and the Waha Hub and HSC Hub natural gas price for the notional volumes covered by the basis swap contracts.

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Settlement Month	Settlement Year	Type of Contract	Bbls Per Day	Index	Strike Price	Deferred Premium
OIL						
Apr. - Jun.	2025	Put	50,000	Brent	\$58.30	\$1.50
Apr. - Jun.	2025	Put	96,000	Argus WTI Houston	\$55.10	\$1.59
Apr. - Jun.	2025	Put	152,000	WTI Cushing	\$55.53	\$1.59
Jul. - Sep.	2025	Put	36,000	Brent	\$56.39	\$1.50
Jul. - Sep.	2025	Put	87,000	Argus WTI Houston	\$55.00	\$1.61
Jul. - Sep.	2025	Put	136,000	WTI Cushing	\$54.91	\$1.54
Oct. - Dec.	2025	Put	21,000	Brent	\$55.00	\$1.47
Oct. - Dec.	2025	Put	50,000	Argus WTI Houston	\$55.00	\$1.63
Oct. - Dec.	2025	Put	76,000	WTI Cushing	\$54.84	\$1.52
Jan. - Mar.	2026	Put	4,000	Brent	\$55.00	\$1.45
Jan. - Mar.	2026	Put	5,000	Argus WTI Houston	\$55.00	\$1.75
Jan. - Mar.	2026	Put	25,000	WTI Cushing	\$55.00	\$1.32

Interest Rate Swaps and Treasury Locks

Interest Rate Swaps

As of March 31, 2025, the Company has two receive-fixed, pay variable interest rate swap agreements for notional amounts of \$300 million and \$600 million, respectively, which are considered economic hedges of the Company's \$1.2 billion 3.50% fixed rate senior notes due 2029 (the "2029 Notes"). The Company receives a fixed 3.50% rate of interest on these swaps and pays the variable rate of SOFR plus 2.1865%. The interest rate swaps are not treated as hedges for accounting purposes and, as a result, changes in fair value are recorded in earnings under the caption "Gain (loss) on derivative instruments, net" in the condensed consolidated statements of operations.

The interest rate swaps were designated as fair value hedges at inception, but the Company subsequently elected to discontinue hedge accounting. The cumulative fair value basis adjustment recorded at the time of dedesignation is being amortized to interest expense over the remaining term of the 2029 Notes utilizing the effective interest method. See Note 9—[Debt](#) for further details.

Treasury Locks

During the first quarter of 2025, the Company entered into certain treasury lock contracts to reduce the forecasted interest rate risk associated with the issuance of the 2035 Notes. The treasury locks were terminated and settled upon issuance of the 2035 Notes with a loss of \$1 million recognized under the caption "Gain (loss) on derivative instruments, net" on the condensed consolidated statements of operations for the three months ended March 31, 2025.

Balance Sheet Offsetting of Derivative Assets and Liabilities

The fair value of derivative instruments is generally determined using established index prices and other sources which are based upon, among other things, futures prices and time to maturity. These fair values are recorded by netting asset and liability positions, including any deferred premiums, that are with the same counterparty and are subject to contractual terms which provide for net settlement. See Note 14—[Fair Value Measurements](#) for further details.

Diamondback Energy, Inc. and Subsidiaries
Notes to the Condensed Consolidated Financial Statements - (Continued)
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Gains and Losses on Derivative Instruments

The following table summarizes the gains and losses on derivative instruments included in the condensed consolidated statements of operations:

	Three Months Ended March 31,	
	2025	2024
(In millions)		
Gain (loss) on derivative instruments, net:		
Commodity contracts	\$ 214	\$ (16)
Interest rate swaps	11	(32)
2026 WTI Contingent Liability	2	—
Treasury locks	(1)	—
Total	\$ 226	\$ (48)
Net cash received (paid) on settlements:		
Commodity contracts	\$ 86	\$ (4)
Treasury locks	(1)	—
Total	\$ 85	\$ (4)

14. FAIR VALUE MEASUREMENTS
Assets and Liabilities Measured at Fair Value on a Recurring Basis

As discussed in [Note 14—Fair Value Measurements in the Company’s Annual Report on Form 10-K](#) for the year ended December 31, 2024, certain financial instruments of the Company are reported at fair value on the Company’s condensed consolidated balance sheets. The net amounts of derivative instruments are classified as current or noncurrent based on their anticipated settlement dates. The Company has an immaterial investment that is reported at fair value using observable, quoted stock prices and is included in “Other assets” on the Company’s condensed consolidated balance sheets at March 31, 2025 and December 31, 2024.

Viper LLC’s 2026 WTI Contingent Liability is reported at fair value using observable market data inputs and a Monte Carlo pricing model, which are considered Level 2 inputs within the fair value hierarchy. The 2026 WTI Contingent Liability was recorded in “Other accrued liabilities” on the Company’s condensed consolidated balance sheet at March 31, 2025 and in “Other long-term liabilities” on the Company’s consolidated balance sheet at December 31, 2024. The change in fair value of the 2026 WTI Contingent Liability is recognized in “Gain (loss) on derivative instruments, net” on the Company’s condensed consolidated statements of operations for the three months ended March 31, 2025.

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Notes to the Condensed Consolidated Financial Statements - (Continued)
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The following table provides the fair value of financial instruments that are recorded at fair value in the condensed consolidated balance sheets as of March 31, 2025 and December 31, 2024:

As of March 31, 2025						
	Level 1	Level 2	Level 3	Total Gross Fair Value	Gross Amounts Offset in Balance Sheet	Net Fair Value Presented in Balance Sheet
(In millions)						
Assets:						
Current assets- Derivative instruments:						
Commodity derivative instruments	\$ —	\$ 420	\$ —	\$ 420	(153) \$	267
Non-current assets- Derivative instruments:						
Commodity derivative instruments	\$ —	\$ 118	\$ —	\$ 118	(57) \$	61
Non-current assets- Other assets:						
Investment	\$ 49	\$ —	\$ —	\$ 49	\$ —	49
Liabilities:						
Current liabilities- Derivative instruments:						
Commodity derivative instruments	\$ —	\$ 199	\$ —	\$ 199	(153) \$	46
Interest rate swaps	\$ —	\$ 29	\$ —	\$ 29	\$ —	29
Current liabilities- Other accrued liabilities:						
2026 WTI Contingent Liability	\$ —	\$ 28	\$ —	\$ 28	\$ —	28
Non-current liabilities- Derivative instruments:						
Commodity derivative instruments	\$ —	\$ 66	\$ —	\$ 66	(57) \$	9
Interest rate swaps	\$ —	\$ 84	\$ —	\$ 84	\$ —	84

As of December 31, 2024						
	Level 1	Level 2	Level 3	Total Gross Fair Value	Gross Amounts Offset in Balance Sheet	Net Fair Value Presented in Balance Sheet
(In millions)						
Assets:						
Current assets- Derivative instruments:						
Commodity derivative instruments	\$ —	\$ 274	\$ —	\$ 274	(106) \$	168
Non-current assets- Derivative instruments:						
Commodity derivative instruments	\$ —	\$ 19	\$ —	\$ 19	(17) \$	2
Non-current assets- Other assets:						
Investment	\$ 8	\$ —	\$ —	\$ 8	\$ —	8
Liabilities:						
Current liabilities- Derivative instruments:						
Commodity derivative instruments	\$ —	\$ 121	\$ —	\$ 121	(106) \$	15
Interest rate swaps	\$ —	\$ 28	\$ —	\$ 28	\$ —	28
Non-current liabilities- Derivative instruments:						
Commodity derivative instruments	\$ —	\$ 27	\$ —	\$ 27	(17) \$	10
Interest rate swaps	\$ —	\$ 96	\$ —	\$ 96	\$ —	96
Non-current liabilities- Other long-term liabilities:						
2026 WTI Contingent Liability	\$ —	\$ 30	\$ —	\$ 30	\$ —	30

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Assets and Liabilities Not Recorded at Fair Value

The following table provides the fair value of financial instruments that are not recorded at fair value in the condensed consolidated balance sheets:

	March 31, 2025		December 31, 2024	
	Carrying Value	Fair Value	Carrying Value	Fair Value
	(In millions)			
Debt	\$ 13,910	\$ 13,606	\$ 12,975	\$ 12,564

The fair values of the Company's credit agreement and Tranche A Loans and Viper LLC's credit agreement approximate their carrying values based on borrowing rates available to the Company for bank loans with similar terms and maturities and are classified as Level 2 in the fair value hierarchy. The fair values of the outstanding notes were determined using the quoted market price at each period end, a Level 1 classification in the fair value hierarchy.

Assets and Liabilities Measured at Fair Value on a Nonrecurring Basis

Certain assets and liabilities are measured at fair value on a nonrecurring basis in certain circumstances. These assets and liabilities can include those acquired in a business combination, inventory, proved and unproved oil and natural gas properties, equity method investments, asset retirement obligations and other long-lived assets that are written down to fair value when impaired or held for sale. Refer to Note 4—[Acquisitions and Divestitures](#), Note 5—[Endeavor Energy Resources, LP Acquisition](#) and Note 6—[Property and Equipment](#) for additional discussion of nonrecurring fair value adjustments.

Fair Value of Financial Assets

The carrying amount of cash and cash equivalents, receivables, prepaid expenses and other current assets, payables, other accrued liabilities and funds held in escrow approximate their fair value because of the short-term nature of the instruments.

15. SUPPLEMENTAL INFORMATION TO STATEMENTS OF CASH FLOWS

	Three Months Ended March 31,	
	2025	2024
	(In millions)	
Supplemental disclosure of cash flow information:		
Cash (paid) received for income taxes, net	\$ (252)	\$ (2)
Supplemental disclosure of non-cash transactions:		
Accrued capital expenditures included in accounts payable and accrued expenses	\$ 746	\$ 674
Viper LLC's units issued for acquisition	\$ 119	\$ —

16. COMMITMENTS AND CONTINGENCIES

The Company is a party to various routine legal proceedings, disputes and claims arising in the ordinary course of its business, including those that arise from interpretation of federal and state laws and regulations affecting the crude oil and natural gas industry, personal injury claims, title disputes, royalty disputes, contract claims, employment claims, claims alleging violations of antitrust laws, contamination claims relating to oil and natural gas exploration and development and environmental claims, including claims involving assets previously sold to third parties and no longer part of the Company's current operations. While the ultimate outcome of the pending proceedings, disputes or claims and any resulting impact on the Company, cannot be predicted with certainty, the Company's management believes that none of these matters, if ultimately decided adversely, will have a material adverse effect on the Company's financial condition, results of operations or cash flows. The Company's assessment is based on information known about the pending matters and its experience in contesting, litigating and settling similar matters. Actual outcomes could differ materially from the Company's assessment. The Company records accrued liabilities for contingencies related to outstanding legal proceedings, disputes or claims when information available indicates that a loss is probable and the amount of the loss can be reasonably estimated.

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Environmental Matters

The United States Department of the Interior, Bureau of Safety and Environmental Enforcement, ordered several oil and gas operators, including a corporate predecessor of Energen Corporation, to perform decommissioning and reclamation activities related to a Louisiana offshore oil and gas production platform and related facilities. In response to the insolvency of the operator of record, the government ordered the former operators and/or alleged former lease record title owners to decommission the platform and related facilities. The Company has agreed to an arrangement with other operators to contribute to a trust to fund the decommissioning costs, however, the Company's portion of such costs are not expected to be material.

Several coastal Louisiana parishes and the State of Louisiana have filed numerous lawsuits under Louisiana's State and Local Coastal Resources Management Act ("SLCRMA") against numerous oil and gas producers seeking damages for coastal erosion in or near oil fields located within Louisiana's coastal zone. The Company is a defendant in five of these cases. The Company has exercised contractual indemnification rights where applicable. Plaintiffs' SLCRMA theories are unprecedented, and there remains significant uncertainty about the claims (both as to scope and damages). Although the Company cannot predict the ultimate outcome of these matters, the Company believes the claims lack merit and intends to continue vigorously defending these lawsuits.

17. SUBSEQUENT EVENTS

First Quarter 2025 Dividend Declaration

On May 1, 2025, the board of directors of the Company declared a cash dividend for the first quarter of 2025 of \$1.00 per share of common stock, payable on May 22, 2025 to its stockholders of record at the close of business on May 15, 2025. Future base and variable dividends are at the discretion of the Company's board of directors.

2025 Drop Down Transaction

On May 1, 2025, the Company's wholly owned subsidiary Endeavor Energy Resources, LP ("EER LP") divested all of the issued and outstanding equity interests in 1979 Royalties, LP and 1979 Royalties GP, LLC (collectively, the "Endeavor Subsidiaries"), each of which is a subsidiary of the Company, pursuant to a definitive equity purchase agreement with Viper and Viper LLC in exchange for consideration consisting of (i) \$1.0 billion in cash, and (ii) the issuance of 69.63 million Viper LLC units and an equivalent number of shares of Viper's Class B common stock, subject to transaction costs and certain customary post-closing adjustments (the "2025 Drop Down"). Viper funded the cash consideration for the 2025 Drop Down with a portion of the proceeds from the Viper 2025 Equity Offering and borrowings under Viper LLC's credit agreement. The 2025 Drop Down was accounted for as a transaction between entities under common control. On May 5, 2025, the Company used the cash proceeds received from the 2025 Drop Down to repay in full and terminate the \$900 million Tranche A Loans.

EER LP can exchange some or all of the Viper LLC units received together with an equal number of shares of Viper's Class B common stock for an equal number of shares of Viper's Class A common stock. The mineral and royalty interests held and divested by the Endeavor Subsidiaries at closing of the 2025 Drop Down represent approximately 22,847 net royalty acres in the Permian Basin, 69% of which are operated by the Company, have an average net royalty interest of approximately 2.8% and current oil production of approximately 17,097 BO/d (the "Endeavor Mineral and Royalty Interests"). The Endeavor Mineral and Royalty Interests include interests in horizontal wells comprised of 6,055 gross proved developed production wells (of which approximately 29% are operated by the Company), 116 gross completed wells and 394 gross drilled but uncompleted wells, all of which are principally concentrated in the Midland Basin, with the balance located primarily in the Delaware and Williston Basins.

Immediately after the completion of the 2025 Drop Down, the Company beneficially owned approximately 53.7% of Viper's outstanding common stock (or approximately 52% of Viper's outstanding common stock, on a fully diluted basis after giving effect to the outstanding TWR Class B Option).

Double Eagle Acquisition

On April 1, 2025, the Company completed its acquisition of all of the issued and outstanding interests of DE Permian, LLC, DE IV Combo, LLC, and DE IV Operating, LLC, each of which are wholly owned subsidiaries of Double Eagle IV Midco, LCC ("Double Eagle") (the "Double Eagle Acquisition") for consideration of \$3.0 billion in cash and approximately 6.84 million shares of the Company's common stock, subject to transaction costs and certain customary post-closing

Diamondback Energy, Inc. and Subsidiaries
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adjustments. The Double Eagle Acquisition consists of approximately 67,700 gross (40,000 net) acres, which are primarily located in the Midland Basin, and approximately 407 gross (342 net) horizontal locations in primary development targets. The Company funded the cash portion of the Double Eagle Acquisition through a combination of proceeds from the 2035 Notes, proceeds from the 2025 Term Loan Agreement, and borrowings on the Company's credit facility.

Retirement of Notes

In the second quarter of 2025, the Company opportunistically repurchased principal amounts of \$111 million of our 4.400% Senior Notes due 2051, \$89 million of our 4.250% Senior Notes due 2052 and \$20 million of our 5.750% Senior Notes due 2054 in open market transactions for total cash consideration, including accrued interest paid, of \$167 million, at an average of 75.3% of par value.

18. SEGMENT INFORMATION

The Company is managed on a consolidated basis as one operating segment and one reportable segment, the upstream segment, which is engaged in the acquisition, development, exploration and exploitation of unconventional, onshore oil and natural gas reserves primarily in the Permian Basin in West Texas. This singular operating and reportable segment is comprised of (i) the Company and its wholly owned subsidiaries, and (ii) Viper and its consolidated subsidiaries, which have been aggregated due to the similarity in their economic characteristics, products and services, processes, type of customers, method of distribution for their products and the regulatory environment in which they operate. The upstream segment derives its revenue from customers through the sale of oil and natural gas products as well as other immaterial service contracts. See Note 3—[Revenue from Contracts with Customers](#) for further discussion of the Company's sources of revenue.

The Chief Operating Decision Maker ("CODM") uses the Company's condensed consolidated financial results to make key operating decisions, assess performance and to allocate resources. The measures of segment profit or loss and total assets utilized by the CODM are net income and total assets as reported on the condensed consolidated statements of operations and the condensed consolidated balance sheets, respectively. The significant expense categories, their amounts and other segment items that are regularly provided to the CODM are those that are reported in the Company's condensed consolidated statements of operations.

The CODM uses consolidated net income as a measure of profitability to evaluate segment performance and to make capital allocation decisions such as reinvestment in the business or return of capital through the payment of base and variable dividends or repurchases under the share repurchase program.

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

The following discussion and analysis should be read in conjunction with our unaudited condensed consolidated financial statements and notes thereto presented in this report as well as our audited financial statements and notes thereto included in our [Annual Report on Form 10-K](#) for the year ended December 31, 2024. The following discussion contains "forward-looking statements" that reflect our future plans, estimates, beliefs and expected performance. Actual results and the timing of events may differ materially from those contained in these forward-looking statements due to a number of factors. See [Part II, Item 1A, Risk Factors](#) and [Cautionary Statement Regarding Forward-Looking Statements](#).

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. As discussed in Note 1—[Description of the Business and Basis of Presentation](#) and Note 18—[Segment Information](#) of the notes to the condensed consolidated financial statements, as of March 31, 2025, we have one reportable segment, the upstream segment.

First Quarter 2025 Financial and Operating Highlights

- Recorded net income of \$1.4 billion.
- Increased our annual base dividend to \$4.00 per share of common stock, paid dividends to stockholders of \$290 million during the first quarter of 2025 and declared a base cash dividend payable in the second quarter of 2025 of \$1.00 per share of common stock.
- Repurchased \$575 million of our common stock, excluding excise taxes, and had approximately \$2.1 billion available for future repurchases under our common stock repurchase program at March 31, 2025.
- Our cash operating costs were \$10.48 per BOE, including lease operating expenses of \$5.33 per BOE, cash general and administrative expenses of \$0.72 per BOE and production and ad valorem taxes of \$2.98 per BOE and gathering, processing and transportation expenses of \$1.45 per BOE.
- Our average production was 850.7 MBOE/d.
- Drilled 124 gross horizontal wells in the Midland Basin and two gross horizontal wells in the Delaware Basin, and turned 123 gross operated horizontal wells (116 in the Midland Basin and seven in the Delaware Basin) to production.
- Cash capital expenditures, excluding acquisitions, of \$942 million.

Transactions and Recent Developments

Acquisitions and Divestitures

2025 Drop Down Transaction

On May 1, 2025, our wholly owned subsidiary EER LP divested the Endeavor Subsidiaries to Viper and Viper LLC in exchange for consideration consisting of (i) 1.0 billion in cash, and (ii) the issuance of 69.63 million Viper LLC units and an equal number of shares of Viper's Class B common stock (which securities are exchangeable for an equal number of Viper's Class A common stock), subject to transaction costs and certain customary post-closing adjustments. Viper funded the cash consideration for the 2025 Drop Down with a portion of the proceeds from the Viper 2025 Equity Offering and borrowings under Viper LLC's credit agreement. The mineral and royalty interests held and divested by the Endeavor Subsidiaries at closing of the 2025 Drop Down represent approximately 22,847 net royalty acres located primarily in the Permian Basin. The Endeavor Subsidiaries sold in the 2025 Drop Down were acquired by us in the recently completed Endeavor Acquisition. On May 5, 2025, we used the cash proceeds received from the 2025 Drop Down to repay in full and terminate the \$900 million Tranche A Loans.

Double Eagle Acquisition

On April 1, 2025, we completed the Double Eagle Acquisition for consideration of \$3.0 billion in cash and approximately 6.84 million shares of our common stock, subject to transaction costs and certain customary post-closing

adjustments. The Double Eagle Acquisition consists of approximately 67,700 gross (40,000 net) acres, which are primarily located in the Midland Basin, and approximately 407 gross (342 net) horizontal locations in primary development targets. We funded the cash portion of the Double Eagle Acquisition through a combination of proceeds from the 2035 Notes, proceeds from the 2025 Term Loan Agreement and borrowings under our credit facility.

Retirement of Notes

In the second quarter of 2025, we opportunistically repurchased principal amounts of \$111 million of our 4.400% Senior Notes due 2051, \$89 million of our 4.250% Senior Notes due 2052 and \$20 million of our 5.750% Senior Notes due 2054 in open market transactions for total cash consideration of \$167 million, including accrued interest paid, at an average of 75.3% of par value.

See Note 17—[Subsequent Events](#) of the notes to the condensed consolidated financial statements for further discussion of the transactions above.

Capital Transactions

Term Loan Agreement

In connection with the Double Eagle Acquisition, we entered into the 2025 Term Loan Agreement. The 2025 Term Loan Agreement provided the Company with the ability to borrow up to \$1.5 billion, which we drew in a single borrowing to fund a portion of the cash consideration for the Double Eagle Acquisition on April 1, 2025.

2035 Notes Offering

On March 20, 2025, we issued the 2035 Notes for net proceeds of \$1.2 billion, after underwriters' discounts and transaction costs, which we used to fund a portion of the cash consideration for the Double Eagle Acquisition.

See Note 9—[Debt](#) of the notes to the condensed consolidated financial statements for further discussion of the transactions above.

Viper 2025 Equity Offering

On February 3, 2025, Viper completed an underwritten public offering of approximately 28.34 million shares of its Class A common stock, which included 3.70 million shares issued pursuant to an option to purchase additional shares of its Class A common stock granted to the underwriters at a price to the public of \$44.50 per share for total net proceeds to Viper of approximately 1.2 billion, after the underwriters' discount and estimated transaction costs.

See Note 10—[Stockholders' Equity and Earnings \(Loss\) Per Share](#) of the notes to the condensed consolidated financial statements for further discussion of the transactions above.

Commodity Prices

Prices for oil, natural gas and natural gas liquids are determined primarily by prevailing market conditions. Regional and worldwide economic activity, changes in trade or other government policies or regulations, including with respect to tariffs or other trade barriers, and any resulting trade tensions, extreme weather conditions and other substantially variable factors influence market conditions for these products. These factors are beyond our control and are difficult to predict. During the three months ended March 31, 2025 and 2024, WTI prices averaged \$71.42 and \$76.91 per Bbl, respectively, and Henry Hub prices averaged \$3.87 and \$2.10 per MMBtu, respectively.

For additional information around risks related to commodity prices, see [Part II. Item 3. Quantitative and Qualitative Disclosures About Market Risk—Commodity Price Risk](#).

Upstream Operations

Our activities are primarily directed at the horizontal development of the Wolfcamp and Spraberry formations in the Midland Basin and the Wolfcamp and Bone Spring formations in the Delaware Basin within the Permian Basin. Additionally, our publicly-traded subsidiary, Viper, is focused on owning and acquiring mineral interests and royalty interests in oil and natural gas properties primarily in the Permian Basin and derives royalty income and lease bonus income from such interests.

As of March 31, 2025, we had approximately 859,484 net acres, which primarily consisted of approximately 737,736 net acres in the Midland Basin and 121,748 net acres in the Delaware Basin.

The following table sets forth the total number of operated horizontal wells drilled and completed during the periods indicated:

Area:	Three Months Ended March 31, 2025			
	Drilled		Completed ⁽¹⁾	
	Gross	Net	Gross	Net
Midland Basin	124	116	116	112
Delaware Basin	2	2	7	7
Total	126	118	123	119

(1) The average lateral length for the wells completed during the first quarter of 2025 was 11,978 feet. Operated completions during the first quarter of 2025 consisted of 30 Wolfcamp A wells, 28 Lower Spraberry wells, 22 Wolfcamp B wells, 17 Jo Mill wells, eight Middle Spraberry wells, four Dean wells, four Barnett wells, three Third Bone Spring wells, three Wolfcamp D wells, two Second Bone Spring wells and two Upper Spraberry wells.

As of March 31, 2025, we operated the following wells:

Area:	As of March 31, 2025					
	Vertical Wells		Horizontal Wells		Total	
	Gross	Net	Gross	Net	Gross	Net
Midland Basin	4,411	4,181	4,369	4,100	8,780	8,281
Delaware Basin	172	152	507	469	679	621
Total	4,583	4,333	4,876	4,569	9,459	8,902

As of March 31, 2025, we held interests in 31,344 gross (9,290 net) wells, including 2,390 gross (367 net) wells in which we have a non-operated working interest.

Guidance

Given recent weakness in commodity prices, we have reduced our activity levels and lowered our capital budget to prioritize free cash flow generation. We believe that our revised development plan enhances capital efficiency and provides flexibility to adjust our activity levels up or down, as appropriate, if commodity prices strengthen or weaken further.

The following table presents our updated estimates of certain financial and operating results for the full year of 2025 and the second quarter of 2025:

	2025 Guidance
Net production - MBOE/d	857 - 900 (from 883 - 909)
Oil production - MBO/d	480 - 495 (from 485 - 498)
Q2 2025 oil production - MBO/d (total - MBOE/d)	485 - 500 (866 - 900)
(Unit costs \$/BOE):	
Lease operating expenses, including workovers	\$5.65 - \$6.05 (from \$5.90 - \$6.30)
General and administrative expenses - cash	\$0.60 - \$0.75
Non-cash stock-based compensation	\$0.25 - \$0.35
Depreciation, depletion, amortization and accretion	\$14.00 - \$15.00
Interest expense (net of interest income)	\$0.40 - \$0.65 (from \$0.25 - \$0.50)
Gathering, processing and transportation	\$1.40 - \$1.60 (from \$1.20 - \$1.40)
Production and ad valorem taxes (% of revenue)	~7%
Corporate tax rate (% of pre-tax income)	23%
Cash tax rate (% of pre-tax income)	19% - 22% (from 17% - 20%)
Q2 2025 cash taxes (in millions) ⁽¹⁾	\$340 - \$400

(1) Includes approximately \$170 million of cash taxes related to the Viper dropdown transaction.

Results of Operations

Comparison of the Three Months Ended March 31, 2025 and December 31, 2024

As noted in “—[Commodity Prices](#),” the markets for oil and natural gas are highly volatile and are influenced by a number of factors which can lead to significant changes in our results of operations and management’s operational strategy on a quarterly basis. Accordingly, our results of operations discussion focuses on a comparison of the current quarter’s results of operations with those of the immediately preceding quarter. We believe our discussion provides investors with a more meaningful analysis of material operational and financial changes which occurred during the quarter based on current market and operational trends.

The following table sets forth selected operating data for the three months ended March 31, 2025 and December 31, 2024:

	Three Months Ended	
	March 31, 2025	December 31, 2024
Revenues (In millions):		
Oil sales	\$ 3,039	\$ 3,042
Natural gas sales	212	51
Natural gas liquid sales	406	378
Total oil, natural gas and natural gas liquid revenues	\$ 3,657	\$ 3,471
Production Data:		
Oil (MBbls)	42,835	43,785
Natural gas (MMcf)	100,578	107,249
Natural gas liquids (MBbls)	16,961	19,615
Combined volumes (MBOE) ⁽¹⁾	76,559	81,275
Daily oil volumes (BO/d)	475,944	475,924
Daily combined volumes (BOE/d)	850,656	883,424
Average Prices:		
Oil (\$ per Bbl)	\$ 70.95	\$ 69.48
Natural gas (\$ per Mcf)	\$ 2.11	\$ 0.48
Natural gas liquids (\$ per Bbl)	\$ 23.94	\$ 19.27
Combined (\$ per BOE)	\$ 47.77	\$ 42.71
Oil, hedged (\$ per Bbl) ⁽²⁾	\$ 70.06	\$ 68.72
Natural gas, hedged (\$ per Mcf) ⁽²⁾	\$ 3.34	\$ 0.82
Natural gas liquids, hedged (\$ per Bbl) ⁽²⁾	\$ 23.94	\$ 19.27
Average price, hedged (\$ per BOE) ⁽²⁾	\$ 48.89	\$ 42.76

(1) Bbl equivalents are calculated using a conversion rate of six Mcf per Bbl.

(2) Hedged prices reflect the effect of our commodity derivative transactions on our average sales prices and include gains and losses on cash settlements for matured commodity derivatives, which we do not designate for hedge accounting. Hedged prices exclude gains or losses resulting from the early settlement of commodity derivative contracts.

Production Data. Substantially all of our revenues are generated through the sale of oil, natural gas and natural gas liquids production. The following tables provide information on the mix of our production for the three months ended March 31, 2025 and December 31, 2024:

	Three Months Ended	
	March 31, 2025	December 31, 2024
Oil (MBbls)	56 %	54 %
Natural gas (MMcf)	22	22
Natural gas liquids (MBbls)	22	24
	100 %	100 %

	Three Months Ended March 31, 2025				Three Months Ended December 31, 2024			
	Midland Basin	Delaware Basin	Other	Total	Midland Basin	Delaware Basin	Other	Total
Production Data:								
Oil (MBbls)	39,341	3,460	34	42,835	39,134	4,603	48	43,785
Natural gas (MMcf)	90,341	9,961	276	100,578	93,596	13,318	335	107,249
Natural gas liquids (MBbls)	15,769	1,155	37	16,961	17,551	2,041	23	19,615
Total (MBOE)	70,167	6,275	117	76,559	72,284	8,864	127	81,275

Oil, Natural Gas and Natural Gas Liquids Revenues. Our revenues are a function of oil, natural gas and natural gas liquids production volumes sold and average sales prices received for those volumes.

Our oil, natural gas and natural gas liquids revenues for the first quarter of 2025 increased by \$186 million to \$3.7 billion compared to the fourth quarter of 2024. The net increase was due to an additional \$306 million related to improved average prices received for our oil, natural gas and natural gas liquids production, which was partially offset by a \$120 million decrease attributable to the 6% decline in our combined production volumes.

Net Sales of Purchased Oil. We have entered into purchase transactions and separate sales transactions with third parties to satisfy certain of our unused oil pipeline capacity commitments. The following table presents the net sales of purchased oil from third parties for the three months ended March 31, 2025 and December 31, 2024:

(In millions)	Three Months Ended	
	March 31, 2025	December 31, 2024
Sales of purchased oil	\$ 374	\$ 225
Purchased oil expense	382	225
Net sales of purchased oil	\$ (8)	\$ —

Other Revenues. The following table presents other insignificant revenue for the three months ended March 31, 2025 and December 31, 2024:

(In millions)	Three Months Ended	
	March 31, 2025	December 31, 2024
Other operating income	\$ 17	\$ 15

Lease Operating Expenses. The following table shows lease operating expenses for the three months ended March 31, 2025 and December 31, 2024:

(In millions, except per BOE amounts)	Three Months Ended			
	March 31, 2025		December 31, 2024	
	Amount	Per BOE	Amount	Per BOE
Lease operating expenses	\$ 408	\$ 5.33	\$ 461	\$ 5.67

Lease operating expenses decreased in total and on a per BOE basis for the first quarter of 2025 compared to the fourth quarter of 2024 primarily due to (i) a \$38 million reduction in cost estimates related to producing properties acquired in the Endeavor Acquisition, (ii) a \$7 million decrease due to applying a contingent volume discount for water services from Deep Blue in the first quarter of 2025, (iii) a \$6 million reduction in well workover expenses, and (iv) other individually insignificant changes.

Production and Ad Valorem Tax Expense. The following table shows production and ad valorem tax expense for the three months ended March 31, 2025 and December 31, 2024:

(In millions, except per BOE amounts)	Three Months Ended					
	March 31, 2025			December 31, 2024		
	Amount	Per BOE	Percentage of oil, natural gas and natural gas liquids revenue	Amount	Per BOE	Percentage of oil, natural gas and natural gas liquids revenue
Production taxes	\$ 171	\$ 2.23	4.7 %	\$ 168	\$ 2.07	4.8 %
Ad valorem taxes	57	0.75	1.5	57	0.70	1.7
Total production and ad valorem expense	\$ 228	\$ 2.98	6.2 %	\$ 225	\$ 2.77	6.5 %

In general, production taxes are directly related to production revenues and are based upon current year commodity prices. Production taxes as a percentage of oil, natural gas and natural gas liquids revenue remained consistent from the fourth quarter of 2024 to the first quarter of 2025.

Ad valorem taxes are based, among other factors, on property values driven by prior year commodity prices. Ad valorem taxes remained relatively consistent in total and per BOE during the first quarter of 2025 compared to the fourth quarter of 2024.

Gathering, Processing and Transportation Expense. The following table shows gathering, processing and transportation expense for the three months ended March 31, 2025 and December 31, 2024:

(In millions, except per BOE amounts)	Three Months Ended			
	March 31, 2025		December 31, 2024	
	Amount	Per BOE	Amount	Per BOE
Gathering, processing and transportation	\$ 111	\$ 1.45	\$ 95	\$ 1.17

The increase in gathering, processing and transportation expenses is primarily attributable to (i) a \$6 million increase from the restructuring of certain sales contracts acquired from Endeavor in the first quarter of 2025, for which gathering and transportation charges were previously recorded as a reduction to revenue, (ii) increases in the contractual pricing of our gathering, processing and transportation costs, and (iii) other individually insignificant items.

Depreciation, Depletion, Amortization and Accretion. The following table provides the components of our depreciation, depletion, amortization and accretion expense for the three months ended March 31, 2025 and December 31, 2024:

(In millions, except BOE amounts)	Three Months Ended	
	March 31, 2025	December 31, 2024
Depletion of proved oil and natural gas properties	\$ 1,065	\$ 1,121
Depreciation and amortization of other property and equipment	23	25
Other amortization	—	2
Asset retirement obligation accretion	9	8
Depreciation, depletion, amortization and accretion	\$ 1,097	\$ 1,156
Oil and natural gas properties depletion rate per BOE	\$ 13.91	\$ 13.79
Depreciation, depletion, amortization and accretion per BOE	\$ 14.33	\$ 14.22

Depletion of proved oil and natural gas properties decreased by \$56 million for the first quarter of 2025 compared to the fourth quarter of 2024. This change was comprised of a \$65 million decrease due to the decline in production volumes, and a \$9 million increase due to a slightly higher depletion rate in the first quarter of 2025.

General and Administrative Expenses. The following table shows general and administrative expenses for the three months ended March 31, 2025 and December 31, 2024:

(In millions, except per BOE amounts)	Three Months Ended			
	March 31, 2025		December 31, 2024	
	Amount	Per BOE	Amount	Per BOE
General and administrative expenses	\$ 55	\$ 0.72	\$ 56	\$ 0.69
Non-cash stock-based compensation	18	0.24	16	0.20
Total general and administrative expenses	\$ 73	\$ 0.96	\$ 72	\$ 0.89

Other Operating Costs and Expenses. The following table shows other operating costs and expenses for the three months ended March 31, 2025 and December 31, 2024:

(In millions)	Three Months Ended	
	March 31, 2025	December 31, 2024
Merger and integration expenses	\$ 37	\$ 30
Other operating expenses	\$ 39	\$ 35

Merger and integration expenses for the first quarter of 2025 were primarily comprised of \$23 million of employee severance costs and \$2 million of IT and other integration service costs incurred in connection with the Endeavor Acquisition, \$10 million in advisory and legal fees incurred as part of the TRP Exchange, and other individually insignificant costs. Merger and integration expenses for the three months ended December 31, 2024 were primarily comprised of employee severance costs related to the Endeavor Acquisition. See Note 5—[Endeavor Energy Resources, LP Acquisition](#) and Note 4—[Acquisitions and Divestitures](#) of the notes to the condensed consolidated financial statements for further details regarding the Endeavor Acquisition and the TRP Exchange, respectively.

Derivative Instruments. The following table shows the net gain (loss) on derivative instruments and the net cash receipts (payments) on settlements of derivative instruments for the three months ended March 31, 2025 and December 31, 2024:

(In millions)	Three Months Ended	
	March 31, 2025	December 31, 2024
Gain (loss) on derivative instruments, net	\$ 226	\$ 36
Net cash received (paid) on settlements	\$ 85	\$ (15)

The change in gain (loss) on derivative instruments for the first quarter of 2025 compared to the fourth quarter of 2024 primarily reflects (i) an increase of \$87 million in cash received on the settlement of natural gas contracts, (ii) an increase of \$59 million in the value of our unsettled oil and natural gas contracts due to a decline in market prices for oil and natural gas compared to our contract prices, (iii) a \$26 million increase in the value of our interest rate swap contracts driven by a decline in expected future interest rates, (iv) a \$19 million decrease in cash paid on the settlement of interest rate swaps, and (v) other individually insignificant changes.

See Note 13—[Derivatives](#) of the notes to the condensed consolidated financial statements for further details regarding our derivative instruments.

Other Income (Expense). The following table shows other income and expenses for the three months ended March 31, 2025 and December 31, 2024:

(In millions)	Three Months Ended	
	March 31, 2025	December 31, 2024
Interest expense, net	\$ (40)	\$ (34)
Other income (expense), net	\$ 27	\$ (7)
Income (loss) from equity investments, net	\$ 8	\$ (2)

The increase in interest expense, net for the first quarter of 2025 compared to the fourth quarter of 2024 primarily consists of (i) a \$15 million decrease in capitalized interest costs, which increased interest expense, and (ii) a \$3 million increase in interest expense on senior notes primarily related to the newly issued 2035 Notes. These increases were partially offset by (i) a \$5 million increase in interest income due to holding proceeds from the 2035 Notes in short-term interest bearing accounts until the closing date of the Double Eagle Acquisition, (ii) a \$3 million decrease in interest expense on our Tranche A loans due to a \$100 million repayment of principal in the fourth quarter of 2024, (iii) a \$2 million decrease in interest expense on Viper's revolving credit facility due to a lower average quarterly outstanding balance during the first quarter of 2025, and (iv) other individually insignificant changes.

See Note 9—[Debt](#) of the notes to the condensed consolidated financial statements for further details regarding outstanding borrowings.

The increase in other income (expense), net for the first quarter of 2025 compared to the fourth quarter of 2024 is primarily due to a gain of \$42 million related to the receipt of additional proceeds in connection with the WTG Midstream Transaction, which was partially offset by a \$10 million loss on the remeasurement of an investment recorded at fair value and other individually insignificant items.

See Note 4—[Acquisitions and Divestitures](#) of the notes to the condensed consolidated financial statements for further details regarding the Company's divestiture activity.

Provision for (Benefit from) Income Taxes. The following table shows the provision for (benefit from) income taxes for the three months ended March 31, 2025 and December 31, 2024:

(In millions)	Three Months Ended	
	March 31, 2025	December 31, 2024
Provision for (benefit from) income taxes	\$ 403	\$ 115

The change in our income tax provision for the first quarter of 2025 compared to the fourth quarter of 2024 was primarily due to the increase in pre-tax income between the periods which resulted largely from changes in revenues, operating expenses, and the gain on derivative contracts as discussed above. In addition to the increase in pre-tax income for the first quarter of 2025, the income tax provision for the fourth quarter of 2024 included a partially offsetting net tax benefit of \$156 million due to the release of Viper's remaining valuation allowance. See Note 12—[Income Taxes](#) of the notes to the condensed consolidated financial statements for further discussion of our income tax expense.

Comparison of the Three Months Ended March 31, 2025 and 2024

The following table sets forth selected operating data for the three months ended March 31, 2025 and 2024:

	Three Months Ended March 31,	
	2025	2024
Revenues (In millions):		
Oil sales	\$ 3,039	\$ 1,867
Natural gas sales	212	50
Natural gas liquid sales	406	184
Total oil, natural gas and natural gas liquid revenues	\$ 3,657	\$ 2,101
Production Data:		
Oil (MBbls)	42,835	24,874
Natural gas (MMcf)	100,578	50,602
Natural gas liquids (MBbls)	16,961	8,653
Combined volumes (MBOE) ⁽¹⁾	76,559	41,961
Daily oil volumes (BO/d)	475,944	273,341
Daily combined volumes (BOE/d)	850,656	461,110
Average Prices:		
Oil (\$ per Bbl)	\$ 70.95	\$ 75.06
Natural gas (\$ per Mcf)	\$ 2.11	\$ 0.99
Natural gas liquids (\$ per Bbl)	\$ 23.94	\$ 21.26
Combined (\$ per BOE)	\$ 47.77	\$ 50.07
Oil, hedged (\$ per Bbl) ⁽²⁾	\$ 70.06	\$ 74.13
Natural gas, hedged (\$ per Mcf) ⁽²⁾	\$ 3.34	\$ 1.36
Natural gas liquids, hedged (\$ per Bbl) ⁽²⁾	\$ 23.94	\$ 21.26
Average price, hedged (\$ per BOE) ⁽²⁾	\$ 48.89	\$ 49.97

(1) Bbl equivalents are calculated using a conversion rate of six Mcf per Bbl.

(2) Hedged prices reflect the effect of our commodity derivative transactions on our average sales prices and include gains and losses on cash settlements for matured commodity derivatives, which we do not designate for hedge accounting. Hedged prices exclude gains or losses resulting from the early settlement of commodity derivative contracts.

Production Data. Substantially all of our revenues are generated through the sale of oil, natural gas and natural gas liquids production. The following tables set forth the mix of our production data by product and basin for the three months ended March 31, 2025 and 2024:

	Three Months Ended March 31,	
	2025	2024
Oil (MBbls)	56 %	59 %
Natural gas (MMcf)	22	20
Natural gas liquids (MBbls)	22	21
	100 %	100 %

	Three Months Ended March 31, 2025				Three Months Ended March 31, 2024			
	Midland Basin	Delaware Basin	Other	Total	Midland Basin	Delaware Basin	Other	Total
Production Data:								
Oil (MBbls)	39,341	3,460	34	42,835	20,055	4,768	51	24,874
Natural gas (MMcf)	90,341	9,961	276	100,578	37,494	12,894	214	50,602
Natural gas liquids (MBbls)	15,769	1,155	37	16,961	6,643	1,990	20	8,653
Total (MBOE)	70,167	6,275	117	76,559	32,947	8,907	107	41,961

Oil, Natural Gas and Natural Gas Liquids Revenues. Our revenues are a function of oil, natural gas and natural gas liquids production volumes sold and average sales prices received for those volumes.

Our oil, natural gas and natural gas liquids revenues for the three months ended March 31, 2025 increased by \$1.6 billion, or 74%, to \$3.7 billion from the same period in 2024 primarily due to the 82% growth in our combined production volumes.

Approximately 73% of the increase in our combined production volumes is attributable to the Endeavor Acquisition. The remainder of production growth is largely attributable to new wells added between periods.

Net Sales of Purchased Oil. We entered into purchase transactions and separate sale transactions with third parties to satisfy certain of our unused oil pipeline capacity commitments. The following table presents the net sales of purchased oil from third parties for the three months ended March 31, 2025 and 2024:

(In millions)	Three Months Ended March 31,	
	2025	2024
Sales of purchased oil	\$ 374	\$ 116
Purchased oil expense	382	117
Net sales of purchased oil	\$ (8)	\$ (1)

Other Revenues. The following table shows the other insignificant revenues for the three months ended March 31, 2025 and 2024:

(In millions)	Three Months Ended March 31,	
	2025	2024
Other operating income	\$ 17	\$ 10

Lease Operating Expenses. The following table shows lease operating expenses for the three months ended March 31, 2025 and 2024:

(In millions, except per BOE amounts)	Three Months Ended March 31,			
	2025		2024	
	Amount	Per BOE	Amount	Per BOE
Lease operating expenses	\$ 408	\$ 5.33	\$ 255	\$ 6.08

Lease operating expenses increased in total for the three months ended March 31, 2025 compared to the same period in 2024 primarily due to costs associated with operating wells acquired as part of the Endeavor Acquisition.

Production and Ad Valorem Tax Expense. The following table shows production and ad valorem tax expense for the three months ended March 31, 2025 and 2024:

(In millions, except per BOE amounts)	Three Months Ended March 31,					
	2025			2024		
	Amount	Per BOE	Percentage of oil, natural gas and natural gas liquids revenue	Amount	Per BOE	Percentage of oil, natural gas and natural gas liquids revenue
Production taxes	\$ 171	\$ 2.23	4.7 %	\$ 82	\$ 1.96	3.9 %
Ad valorem taxes	57	0.75	1.5	37	0.88	1.8
Total production and ad valorem expense	\$ 228	\$ 2.98	6.2 %	\$ 119	\$ 2.84	5.7 %

In general, production taxes are directly related to production revenues and are based upon current year commodity prices. Production taxes increased by \$89 million compared to the same period in 2024, due primarily to (i) \$70 million in additional taxes related to production from the Endeavor Acquisition, and (ii) a refund recorded during the three months ended March 31, 2024 of \$17 million for the settlement of an audit, which reduced production taxes in the prior year period.

Ad valorem taxes are based, among other factors, on property values driven by prior year commodity prices. Ad valorem taxes for the three months ended March 31, 2025 as compared to the same period in 2024 increased by \$20 million, primarily due to \$28 million of additional taxes incurred on properties from the Endeavor Acquisition, which was partially offset by an \$8 million decrease caused by a decline in expected ad valorem tax rates on legacy properties for 2025 compared to the rates during 2024.

Gathering, Processing and Transportation Expense. The following table shows gathering, processing and transportation expense for the three months ended March 31, 2025 and 2024:

(In millions, except per BOE amounts)	Three Months Ended March 31,			
	2025		2024	
	Amount	Per BOE	Amount	Per BOE
Gathering, processing and transportation	\$ 111	\$ 1.45	\$ 77	\$ 1.84

The increase in gathering, processing and transportation expenses for the three months ended March 31, 2025 compared to the same period in 2024 is attributable primarily to (i) \$7 million from the restructuring in 2025 of certain revenue contracts acquired from Endeavor, for which gathering and transportation charges were previously recorded as a reduction to revenue, and (ii) growth in legacy production volumes.

Depreciation, Depletion, Amortization and Accretion. The following table provides the components of our depreciation, depletion, amortization and accretion expense for the three months ended March 31, 2025 and 2024:

(In millions, except BOE amounts)	Three Months Ended March 31,	
	2025	2024
Depletion of proved oil and natural gas properties	\$ 1,065	\$ 452
Depreciation and amortization of other property and equipment	23	12
Other amortization	—	2
Asset retirement obligation accretion	9	3
Depreciation, depletion, amortization and accretion	\$ 1,097	\$ 469
Oil and natural gas properties depletion rate per BOE	\$ 13.91	\$ 10.77
Depreciation, depletion, amortization and accretion per BOE	\$ 14.33	\$ 11.18

The increase in depletion of proved oil and natural gas properties of \$613 million for the three months ended March 31, 2025 as compared to the same period in 2024 consists primarily of \$373 million from growth in production volumes and \$240 million due to an increase in the depletion rate resulting largely from the addition of higher value leasehold costs and proved reserves from the Endeavor Acquisition and, to a lesser extent, Viper's Tumbleweed Acquisitions subsequent to the first quarter of 2024.

Additionally, depreciation and amortization of other property and equipment increased as a result of the acquisition of other property and equipment in connection with the Endeavor Acquisition.

General and Administrative Expenses. The following table shows general and administrative expenses for the three months ended March 31, 2025 and 2024:

(In millions, except per BOE amounts)	Three Months Ended March 31,			
	2025		2024	
	Amount	Per BOE	Amount	Per BOE
General and administrative expenses	\$ 55	\$ 0.72	\$ 32	\$ 0.76
Non-cash stock-based compensation	18	0.24	14	0.34
Total general and administrative expenses	\$ 73	\$ 0.96	\$ 46	\$ 1.10

General and administrative expenses increased for the three months ended March 31, 2025 compared to the same period in 2024 primarily due to an \$18 million increase in employee compensation and benefit costs related to increasing headcount and annual compensation adjustments, and a \$9 million increase in software costs.

Other Operating Costs and Expenses. The following table shows the other operating costs and expenses for the three months ended March 31, 2025 and 2024:

(In millions)	Three Months Ended March 31,	
	2025	2024
Merger and integration expenses	\$ 37	\$ 12
Other operating expenses	\$ 39	\$ 14

Merger and integration expenses for the three months ended March 31, 2025 were primarily comprised of (i) \$23 million of employee severance costs and \$2 million of IT and other integration service costs incurred in connection with the Endeavor Acquisition, (ii) \$10 million in advisory and legal fees related to the TRP Exchange, and (iii) other individually insignificant costs. Merger and integration expenses for the three months ended March 31, 2024 relate to costs incurred for the Endeavor Acquisition.

See Note 5—[Endeavor Energy Resources, LP Acquisition](#) and Note 4—[Acquisitions and Divestitures](#) of the notes to the condensed consolidated financial statements for further details regarding the Endeavor Acquisition and TRP Exchange, respectively.

The increase in other operating expenses for the three months ended March 31, 2025 compared to the same period in 2024 primarily resulted from (i) a \$16 million increase in midstream service costs largely associated with the additional production from the Endeavor Acquisition, (ii) a \$4 million loss on the sale of non-core property, plant and equipment acquired from Endeavor, and (iii) other individually insignificant items.

Derivative Instruments. The following table shows the net gain (loss) on derivative instruments and the net cash receipts (payments) on settlements of derivative instruments for the three months ended March 31, 2025 and 2024:

(In millions)	Three Months Ended March 31,	
	2025	2024
Gain (loss) on derivative instruments, net	\$ 226	\$ (48)
Net cash received (paid) on settlements	\$ 85	\$ (4)

The change from a loss to a gain on derivative instruments for the three months ended March 31, 2025 compared to the same period in 2024 primarily reflects (i) a \$140 million increase in the value of our unsettled commodity derivative contracts primarily due to a \$117 million increase in the value of our natural gas contracts, (ii) a \$106 million increase in cash received on the settlement of our natural gas contracts, and (iii) a \$43 million increase in the value of our unsettled interest rate swap contracts primarily due to a decline in expected future interest rates. These gains were partially offset by paying an additional \$16 million on settlements of oil our contracts in the first quarter of 2025. See Note 13—[Derivatives](#) of the notes to the condensed consolidated financial statements for further details regarding our derivative instruments.

Other Income (Expense). The following table shows other income and expenses for the three months ended March 31, 2025 and 2024:

(In millions)	Three Months Ended March 31,	
	2025	2024
Interest expense, net	\$ (40)	\$ (39)
Other income (expense), net	\$ 27	\$ (3)
Gain (loss) on extinguishment of debt	\$ —	\$ 2
Income (loss) from equity investments, net	\$ 8	\$ 2

Interest expense, net increased by \$1 million for the three months ended March 31, 2025 compared to the same period in 2024. This decrease primarily consisted of (i) a \$79 million increase in interest expense incurred on senior notes related to the issuance of the April 2024 Notes, and to a lesser extent, the 2035 Notes, and (ii) a \$13 million increase in interest expense incurred on our Tranche A Loans. These increases were largely offset by (i) an additional \$82 million in capitalized interest costs, which reduce interest expense, (ii) a \$7 million reduction in the amortization of debt issuance costs primarily related to the remaining debt issuance costs on our terminated bridge facility being fully amortized in 2024, and (iii) other individually insignificant changes.

See Note 9—[Debt](#) of the notes to the condensed consolidated financial statements for further details regarding outstanding borrowings.

Other income (expense), net for the three months ended March 31, 2025 increased compared to the three months ended March 31, 2024, primarily due to a gain of \$42 million from additional proceeds received related to the WTG Midstream Transaction as discussed further in Note 4—[Acquisitions and Divestitures](#) of the notes to the condensed consolidated financial statements. This gain was partially offset by a loss of \$10 million on the remeasurement of an investment recorded at fair value and other individually insignificant items.

Provision for (Benefit from) Income Taxes. The following table shows the provision for (benefit from) income taxes for the three months ended March 31, 2025 and 2024:

(In millions)	Three Months Ended March 31,	
	2025	2024
Provision for (benefit from) income taxes	\$ 403	\$ 223

The change in our income tax provision for the three months ended March 31, 2025 compared to the same period in 2024 was primarily due to the increase in pre-tax income resulting largely from higher revenues from oil and natural gas liquids, along with changes in gain (loss) on derivative instruments, net as discussed above. See Note 12—[Income Taxes](#) of the notes to the condensed consolidated financial statements for further discussion of our income tax expense.

Liquidity and Capital Resources

Overview of Sources and Uses of Cash

Historically, our primary sources of liquidity have included cash flows from operations, proceeds from our public equity offerings, borrowings under our revolving credit facility, proceeds from the issuance of senior notes and sales of non-core assets. Our primary uses of capital have been for the acquisition, development and exploration of oil and natural gas properties, repayment of debt and returning capital to stockholders. At March 31, 2025, we had approximately \$3.8 billion of liquidity consisting of \$1.3 billion in standalone cash and cash equivalents and \$2.5 billion available under our credit facility. We further had \$1.5 billion available under the 2025 Term Loan Agreement, which was fully drawn on April 1, 2025 to partially fund the Double Eagle Acquisition. As discussed above, due to recent weakness in commodity prices, we have reduced activity levels and lowered our capital budget for 2025 to \$3.40 billion to \$3.80 billion to prioritize free cash flow generation.

At March 31, 2025, we had approximately \$900 million of Tranche A Loans and \$14 million of senior notes maturing in the next 12 months. On May 5, 2025, the Company used the cash proceeds received from the 2025 Drop Down to repay in full and terminate the \$900 million Tranche A Loans.

Future cash flows are subject to a number of variables, including the level of oil and natural gas production and volatility of commodity prices. Further, significant additional capital expenditures will be required to more fully develop our

properties. Prices for our commodities are determined primarily by prevailing market conditions, regional and worldwide economic activity, weather and other substantially variable factors. These factors are beyond our control and are difficult to predict as discussed further in [Part I, Item 1A, Risk Factors in our Annual Report on Form 10-K](#) for the year ended December 31, 2024. In order to mitigate this volatility, we enter into derivative contracts with a number of financial institutions, all of which are participants in our credit facility, to economically hedge a portion of our estimated future crude oil and natural gas production as discussed further in Note 13—[Derivatives](#) of the notes to the condensed consolidated financial statements and [Item 3, Quantitative and Qualitative Disclosures About Market Risk—Commodity Price Risk](#). The level of our hedging activity and duration of the financial instruments employed depend on our desired cash flow protection, available hedge prices, the magnitude of our capital program and our operating strategy.

Cash Flow

Our cash flows for the three months ended March 31, 2025 and 2024 are presented below:

	Three Months Ended March 31,	
	2025	2024
	(In millions)	
Net cash provided by (used in) operating activities	\$ 2,355	\$ 1,334
Net cash provided by (used in) investing activities	(1,653)	(751)
Net cash provided by (used in) financing activities	1,175	(269)
Net increase (decrease) in cash	<u>\$ 1,877</u>	<u>\$ 314</u>

Operating Activities

The increase in operating cash flows for the three months ended March 31, 2025 compared to the same period in 2024 primarily resulted from (i) \$1.6 billion in additional revenue, excluding sales of purchased oil, and (ii) an increase of \$89 million in cash received on settlements of derivatives. These cash inflows were partially offset by (i) higher cash operating expenses, excluding purchased oil expense, of approximately \$369 million, (ii) an increase of \$250 million in cash paid for taxes, and (iii) fluctuations in other working capital balances due primarily to the timing of when collections were made on accounts receivable and payments were made on accounts payable. See “[Results of Operations](#)” for discussion of significant changes in our revenues and expenses.

Investing Activities

The majority of our net cash used in investing activities during the three months ended March 31, 2025 and 2024 was for drilling and completion costs incurred in conjunction with our development program as well as the acquisition of properties and equipment including the \$208 million escrow deposit for the Double Eagle Acquisition.

Capital Expenditure Activities

Our capital expenditures excluding acquisitions and equity method investments (on a cash basis) were as follows for the specified period:

	Three Months Ended March 31,	
	2025	2024
	(In millions)	
Operated drilling and completion additions to oil and natural gas properties ⁽¹⁾	\$ (864)	\$ (572)
Capital workovers, non-operated additions to oil and natural gas properties and science	(21)	(8)
Infrastructure, environmental and midstream additions	(57)	(29)
Total	<u>\$ (942)</u>	<u>\$ (609)</u>

(1) See “[Transactions and Recent Developments—Upstream Operations](#)” above for additional detail on wells drilled and turned to production during the three and three months ended March 31, 2025 and 2024.

Financing Activities

During the three months ended March 31, 2025, net cash provided by financing activities was primarily attributable to \$1.2 billion of proceeds from the issuance of the 2035 Notes and \$1.2 billion in proceeds from the Viper 2025 Equity Offering.

These cash inflows were partially offset by (i) \$575 million of repurchases as part of the share repurchase program, (ii) \$290 million of dividends paid to stockholders, (iii) \$261 million in repayments on our credit facilities, net of borrowings, (iv) \$95 million in dividends paid to non-controlling interest, (v) and various other individually insignificant costs.

During the three months ended March 31, 2024, net cash used in financing activities was primarily attributable to (i) \$548 million of dividends paid to stockholders, (ii) \$44 million in dividends to non-controlling interest, (iii) \$42 million of repurchases as part of the share repurchase programs, (iv) \$34 million in cash paid for tax withholdings on vested employee stock awards (v) \$33 million of debt issuance costs primarily associated with the Term Loan Agreement and Bridge Facility, and (vi) \$25 million paid for the retirement of principal outstanding on certain senior notes. These cash outflows were partially offset by \$451 million in proceeds from the public offering of Viper's Class A common stock and an additional \$10 million in borrowings under credit facilities, net of repayments.

Capital Resources

Our working capital requirements are primarily supported by our cash and cash equivalents and available borrowings under our revolving credit facility. We may draw on our revolving credit facility to meet short-term cash requirements, or issue debt or equity securities as part of our longer-term liquidity and capital management program. Further, the 2025 Term Loan Agreement and net proceeds from the 2035 Notes were also available to finance the cash portion of the Double Eagle Acquisition as of March 31, 2025. Because of the alternatives available to us, we believe that our short-term and long-term liquidity are adequate to fund not only our current operations, but also our near-term and long-term capital requirements.

As we pursue our business and financial strategy, we regularly consider which capital resources, including cash flow and equity and debt financings, are available to meet our future financial obligations, planned capital expenditure activities and liquidity requirements. Our future ability to grow proved reserves and production will be highly dependent on the capital resources available to us. Any prolonged volatility in the capital, financial and/or credit markets and/or adverse macroeconomic conditions may limit our access to, or increase our cost of, capital or make capital unavailable on terms acceptable to us or at all.

Revolving Credit Facilities and Other Debt Instruments

As of March 31, 2025, our debt, including the debt of Viper, consisted of approximately \$13.2 billion in aggregate outstanding principal amount of senior notes and \$900 million in aggregate outstanding borrowings under the Tranche A Loans. On May 5, 2025, the Company used the cash proceeds received from the 2025 Drop Down to repay in full and terminate the \$900 million Tranche A Loans.

As of March 31, 2025, the maximum credit amount available under our credit agreement was \$2.5 billion, with no outstanding borrowings and \$2.5 billion available for future borrowings. Our credit agreement matures on June 2, 2029.

As of March 31, 2025, the maximum credit amount available under our 2025 Term Loan Agreement was \$1.5 billion, which was drawn in a single borrowing on April 1, 2025 to fund a portion of the cash consideration for the Double Eagle Acquisition. Our 2025 Term Loan Agreement matures on the second anniversary of the initial funding date.

2035 Notes Offering

On March 20, 2025, we issued the 2035 Notes for net proceeds of \$1.2 billion, after underwriters' discounts and transaction costs, which we used to fund a portion of the cash consideration for the Double Eagle Acquisition.

Viper LLC's Credit Agreement

The Viper LLC credit agreement, as amended, matures on September 22, 2028 and provides for a revolving credit facility in the maximum credit amount of \$2.0 billion, with a borrowing base of \$1.3 billion and an elected commitment amount of \$1.3 billion. As of March 31, 2025, the Viper LLC credit agreement had no outstanding borrowings and \$1.3 billion available for future borrowings.

On May 1, 2025, we completed the 2025 Drop Down with Viper as discussed in Note 17— [Subsequent Events](#) of the notes to the condensed consolidated financial statements. Approximately \$255 million of the cash consideration for this transaction was funded through borrowings under the Viper LLC credit agreement, reducing the amount that remained available for future borrowings under this facility to \$995 million as of May 1, 2025.

For additional discussion of our debt as of March 31, 2025, see Note 9—[Debt](#) of the notes to the condensed consolidated financial statements.

Viper 2025 Equity Offering

During the first quarter of 2025, Viper completed the Viper 2025 Equity Offering for total net proceeds of approximately \$1.2 billion, after the underwriters' discount and transaction costs. For additional discussion of the Viper 2025 Equity Offering, see Note 10—[Stockholders' Equity and Earnings \(Loss\) Per Share](#) of the notes to the condensed consolidated financial statements.

Capital Requirements

In addition to future operating expenses and working capital commitments discussed in “—[Transactions and Recent Developments—Upstream Operations](#)” our primary short and long-term liquidity requirements, excluding those of Viper, consist primarily of (i) capital expenditures, (ii) payments of principal and interest on our revolving credit agreements, Tranche A Loans, and senior notes, (iii) payments of other contractual obligations, (iv) cash used to pay for dividends and repurchases of securities, (v) and the cash portion of the Double Eagle Acquisition.

2025 Capital Spending Plan

Our board of directors has approved our revised 2025 capital budget for drilling, midstream, infrastructure and environmental expenditures, which takes into consideration recent weakness in commodity prices and our reduced activity levels to prioritize free cash flow generation. Our revised capital budget for the full year 2025 is approximately \$3.40 billion to \$3.80 billion, including \$2.78 billion to \$3.09 billion for operated horizontal drilling and completions, \$280 million to \$320 million for non-operated activity and capital workovers and \$340 million to \$390 million spent on infrastructure, midstream and environmental capital expenditures. We currently expect to drill approximately 385 to 435 gross (349 to 395 net) horizontal wells and complete approximately 475 to 550 gross (444 to 514 net) horizontal wells across our operated and non-operated leasehold acreage in the Northern Midland and Southern Delaware Basins, with an average lateral length of approximately 11,500 feet.

The amount and timing of our capital expenditures are largely discretionary and within our control. We could choose to defer a portion of these planned capital expenditures depending on a variety of factors, including but not limited to the success of our drilling activities, prevailing and anticipated prices for oil and natural gas, the availability of necessary equipment, infrastructure and capital, the receipt and timing of required regulatory permits and approvals, seasonal conditions, drilling and acquisition costs and the level of participation by other interest owners. We are currently operating 16 drilling rigs and five completion crews. We will continue monitoring commodity prices and overall market conditions and can adjust our rig cadence and our capital expenditure budget in response to changes in commodity prices and overall market conditions.

Interest on 2035 Notes

On March 20, 2025, we issued \$1.2 billion in aggregate principal amount of the 2035 Notes, as discussed further in Note 9—[Debt](#). As a result, we expect to incur additional future cash interest costs on the 2035 Notes of approximately \$33 million in 2025, \$133 million cumulatively in the years from 2026 through 2027, \$133 million cumulatively in the years from 2028 and 2029, and \$366 million cumulatively between 2030 and 2035.

Retirement of Notes

In the second quarter of 2025, we opportunistically repurchased \$220 million in principal amounts of our senior notes in open market transactions for total cash consideration of \$167 million, at an average of 75.3% of par value. We may continue to opportunistically repurchase principal amounts of our and Viper's senior notes in future periods.

See Note 17—[Subsequent Events](#) of the notes to the condensed consolidated financial statements for further discussion of these transactions.

Return of Capital Commitment

Currently, our board of directors has approved a return of capital commitment of at least 50% of free cash flow to our stockholders through repurchases under our share repurchase program, base dividends and variable dividends. The remainder of our free cash flow will be used primarily to reduce debt. On May 1, 2025, our board of directors declared a base cash dividend for the first quarter of 2025 of \$1.00 per share of common stock.

Free cash flow is a non-GAAP financial measure. As used by us, free cash flow is defined as cash flow from operating activities before changes in working capital in excess of cash capital expenditures and other adjustments as determined by us. We believe that free cash flow is useful to investors as it provides a measure to compare both cash flow from operating activities and additions to oil and natural gas properties across periods on a consistent basis.

On September 18, 2024, our board of directors approved an increase in our common stock repurchase program from \$4.0 billion to \$6.0 billion, excluding excise tax. Since the inception of the stock repurchase program, we repurchased an aggregate of 30.2 million shares of our common stock for a total cost of \$4.2 billion, excluding excise tax, as of May 2, 2025. Subject to regulatory restrictions and other factors discussed elsewhere in this report, we intend to continue to purchase shares under this repurchase program opportunistically with available funds primarily from cash flow from operations and liquidity events such as the sale of assets while maintaining sufficient liquidity to fund our capital expenditure programs, however, the stock repurchase program is at the discretion of our board of directors and can be amended, terminated or suspended at any time. See Note 10—[Stockholders' Equity and Earnings \(Loss\) Per Share](#) of the notes to the condensed consolidated financial statements.

Guarantor Financial Information

Diamondback E&P is the sole guarantor under the indentures governing the outstanding Guaranteed Senior Notes.

Guarantees are “full and unconditional,” as that term is used in Regulation S-X, Rule 3-10(b)(3), except that such guarantees will be released or terminated in certain circumstances set forth in the indentures governing the Guaranteed Senior Notes, such as, with certain exceptions, (i) in the event Diamondback E&P (or all or substantially all of its assets) is sold or disposed of, (ii) in the event Diamondback E&P ceases to be a guarantor or otherwise be an obligor under certain other indebtedness, and (iii) in connection with any covenant defeasance, legal defeasance or satisfaction and discharge of the relevant indenture.

Diamondback E&P’s guarantees of the Guaranteed Senior Notes are senior unsecured obligations and rank senior in right of payment to any of its future subordinated indebtedness, equal in right of payment with all of its existing and future senior indebtedness, including its obligations under its revolving credit facility, and effectively subordinated to any of its existing and future secured indebtedness, to the extent of the value of the collateral securing such indebtedness.

The rights of holders of the Guaranteed Senior Notes against Diamondback E&P may be limited under the U.S. Bankruptcy Code or state fraudulent transfer or conveyance law. Each guarantee contains a provision intended to limit Diamondback E&P’s liability to the maximum amount that it could incur without causing the incurrence of obligations under its guarantee to be a fraudulent conveyance. However, there can be no assurance as to what standard a court will apply in making a determination of the maximum liability of Diamondback E&P. Moreover, this provision may not be effective to protect the guarantee from being voided under fraudulent conveyance laws. There is a possibility that the entire guarantee may be set aside, in which case the entire liability may be extinguished.

The following tables present summarized financial information for Diamondback Energy, Inc., as the parent, and Diamondback E&P, as the guarantor subsidiary, on a combined basis after elimination of (i) intercompany transactions and balances between the parent and the guarantor subsidiary, and (ii) equity in earnings from and investments in any subsidiary that is a non-guarantor. The information is presented in accordance with the requirements of Rule 13-01 under the SEC’s Regulation S-X. The financial information may not necessarily be indicative of results of operations or financial position had the guarantor subsidiary operated as an independent entity.

	March 31, 2025	December 31, 2024
	(In millions)	
Summarized Balance Sheets:		
Assets:		
Current assets	\$ 1,979	\$ 933
Property and equipment, net	\$ 22,128	\$ 21,795
Other noncurrent assets	\$ 292	\$ 32
Liabilities:		
Current liabilities	\$ 3,735	\$ 2,943
Intercompany accounts payable, non-guarantor subsidiary	\$ 3,418	\$ 3,381
Long-term debt	\$ 12,174	\$ 10,978
Other noncurrent liabilities	\$ 3,014	\$ 2,979

Summarized Statement of Operations:	Three Months Ended March 31, 2025	
	(In millions)	
Revenues	\$	1,711
Income (loss) from operations	\$	442
Net income (loss)	\$	381

Critical Accounting Estimates

There have been no changes in our critical accounting estimates from those disclosed in our [Annual Report on Form 10-K](#) for the year ended December 31, 2024.

Recent Accounting Pronouncements

See Note 2—[Summary of Significant Accounting Policies](#) of the notes to the condensed consolidated financial statements for recent accounting pronouncements not yet adopted, if any.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Commodity Price Risk

Our major market risk exposure in our exploration and production business is in the pricing applicable to our oil and natural gas production. Realized pricing is primarily driven by the prevailing worldwide price for crude oil and spot market prices applicable to our natural gas production. Pricing for oil and natural gas production can be volatile and unpredictable. We cannot predict events, including the outcome of the war in Ukraine and the Israel-Hamas war along with other conflicts in the Middle East, changes in interest rates and inflation and global supply chain disruptions that may lead to future price volatility. We cannot predict events that may lead to future price volatility and the near term energy outlook remains subject to heightened levels of uncertainty. Further, the prices we receive for production depend on many other factors outside of our control.

We use derivatives, including swaps, basis swaps, roll swaps, costless collars, puts and basis puts, to reduce price volatility associated with certain of our oil and natural gas sales.

At March 31, 2025, we had a net asset derivative position of \$273 million related to our commodity price risk derivatives. Utilizing actual derivative contractual volumes under our commodity price derivatives as of March 31, 2025, a 10% increase in forward curves associated with the underlying commodity would have decreased the net asset position by \$2 million to \$271 million, while a 10% decrease in forward curves associated with the underlying commodity would have increased the net asset position by \$15 million to \$288 million. However, any cash derivative gain or loss would be substantially offset by a decrease or increase, respectively, in the actual sales value of production covered by the derivative instrument. For additional information on our open commodity derivative instruments at March 31, 2025, see Note 13—[Derivatives](#) of the notes to the condensed consolidated financial statements.

Counterparty and Customer Credit Risk

Our principal exposures to credit risk are due to the concentration of receivables from the sale of our oil and natural gas production (approximately \$1.3 billion at March 31, 2025), and to a lesser extent, receivables resulting from joint interest and other receivables (approximately \$170 million at March 31, 2025).

Joint interest receivables arise from billings to entities that own partial interests in wells we operate. These entities participate in our wells primarily based on their ownership in leases on which we intend to drill. We have little ability to control whether these entities will participate in our wells. We do not require our customers to post collateral, and the failure or inability of our significant customers to meet their obligations to us due to their liquidity issues, bankruptcy, insolvency or liquidation may adversely affect our financial results.

Interest Rate Risk

We are subject to market risk exposure related to changes in interest rates on our indebtedness under our revolving credit facilities, Tranche A Loans, and changes in the fair value of our fixed rate debt. Outstanding borrowings under the credit agreement bear interest at a per annum rate elected by Diamondback E&P. At March 31, 2025, the applicable margin ranges from 0.125% to 1.000% per annum in the case of the alternate base rate, and from 1.125% to 2.000% per annum in the case of

Adjusted Term SOFR, in each case based on the pricing level for both our revolving credit facilities and Tranche A Loans. The pricing level depends on certain rating agencies' ratings of our long-term senior unsecured debt. We are obligated to pay a quarterly commitment fee ranging from 0.125% to 0.325% per year on the unused portion of the commitment for our revolving credit facilities. For our Tranche A Loans, we are obligated to pay a commitment fee equal to 0.125% per year on the aggregate principal amount of the commitments. We believe significant interest rate changes would not have a material near-term impact on our future earnings or cash flows. For additional information on our variable interest rate debt at March 31, 2025, see Note 9—[Debt](#) of the notes to the condensed consolidated financial statements.

Historically, we have at times used interest rates swaps to manage our exposure to (i) interest rate changes on our floating-rate debt, and (ii) fair value changes on our fixed rate debt. At March 31, 2025, we have interest rate swap agreements for a notional amount of \$900 million to manage the impact of changes to the fair value of our fixed rate senior notes due to changes in market interest rates through December 2029. We pay an average variable rate of interest for these swaps based on three month SOFR plus 2.1865% and receive a fixed interest rate of 3.50% from our counterparties. At March 31, 2025, our receive-fixed, pay-variable interest rate swaps were in a net liability position of \$113 million, and the weighted average variable rate was 6.10%. For additional information on our interest rate swaps, see Note 13—[Derivatives](#) of the notes to the condensed consolidated financial statements.

ITEM 4. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures. Under the direction of our Chief Executive Officer and Chief Financial Officer, we have established disclosure controls and procedures, as defined in Rule 13a-15(e) and 15d-15(e) under the Exchange Act, as amended, or the Exchange Act, that are designed to ensure that information required to be disclosed by us in the reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms. The disclosure controls and procedures are also intended to ensure that such information is accumulated and communicated to management, including our Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosures. In designing and evaluating the disclosure controls and procedures, management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives. In addition, the design of disclosure controls and procedures must reflect the fact that there are resource constraints, and that management is required to apply judgment in evaluating the benefits of possible controls and procedures relative to their costs.

As of March 31, 2025, an evaluation was performed under the supervision and with the participation of management, including our Chief Executive Officer and Chief Financial Officer, of the effectiveness of the design and operation of our disclosure controls and procedures pursuant to Rule 13a-15(b) under the Exchange Act. Based upon our evaluation, our Chief Executive Officer and Chief Financial Officer have concluded that as of March 31, 2025, our disclosure controls and procedures are effective.

Changes in Internal Control over Financial Reporting. Management's assessment of, and conclusion on, the effectiveness of internal control over financial reporting did not include the internal controls of the entities acquired in the Endeavor Acquisition on September 10, 2024. Under guidelines established by the SEC, companies are permitted to exclude acquisitions from their assessment of internal control over financial reporting during the first year of an acquisition while integrating the acquired company. The Company is in the process of integrating Endeavor's and our internal controls over financial reporting. As a result of these integration activities, certain controls will be evaluated and may be changed. Except as noted above, there were no changes in our internal control over financial reporting that occurred during the first quarter of 2025, that have materially affected, or are reasonably likely to materially affect, internal controls over financial reporting.

PART II. OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

Diamondback has elected to use a \$1 million threshold for disclosing certain environmental proceedings to which a federal, state or local governmental authority is a party.

We are a party to various routine legal proceedings, disputes and claims arising in the ordinary course of our business, including those that arise from interpretation of federal and state laws and regulations affecting the natural gas and crude oil industry, personal injury claims, title disputes, royalty disputes, contract claims, employment claims, claims alleging violations of antitrust laws, contamination claims relating to oil and natural gas exploration and development and environmental claims, including claims involving assets previously sold to third parties and no longer part of our current operations. While the ultimate outcome of the pending proceedings, disputes or claims and any resulting impact on us, cannot be predicted with certainty, we believe that none of these matters, if ultimately decided adversely, will have a material adverse effect on our financial condition, results of operations or cash flows. See Note 16—[Commitments and Contingencies](#) of the notes to the condensed consolidated financial statements.

ITEM 1A. RISK FACTORS

Our business faces many risks. Any of the risks discussed in this report and our other SEC filings could have a material impact on our business, financial position or results of operations. Additional risks and uncertainties not presently known to us or that we currently believe to be immaterial may also materially impair our business operations, financial condition or future results.

As of the date of this filing, in addition to the factors discussed elsewhere in this report, we continue to be subject to the risk factors previously disclosed in [Part I, Item 1A. Risk Factors in our Annual Report on Form 10-K](#) for the year ended December 31, 2024, filed with the SEC on February 26, 2025 and in subsequent filings we make with the SEC. Except as discussed below, there have been no material changes in our risk factors from those described in our [Annual Report on Form 10-K](#) for the year ended December 31, 2024. For a discussion of the recent trends and uncertainties impacting our business, see “[Management’s Discussion and Analysis of Financial Condition and Results of Operations—Recent Developments](#).”

Changes in U.S. trade policy and the impact of tariffs may have a material adverse effect on our business and results of operations.

Our business and results of operations may be adversely affected by uncertainty and changes in U.S. trade policies, including tariffs, trade agreements or other trade restrictions imposed by the U.S. or other governments. In recent months, the uncertainty over such policies has caused substantial volatility in commodity, capital and financial markets, increased concerns over domestic and global inflation and adversely impacted consumer confidence in the U.S. and worldwide.

Tariffs or other trade restrictions may lead to continuing uncertainty and volatility in U.S. and global financial and economic conditions and commodity markets, declining consumer confidence, significant inflation and diminished expectations for the economy, and ultimately reduced demand for oil and natural gas. Such conditions could have a material adverse impact on our business, results of operations and cash flows. Also, disruptions and volatility in the financial markets may lead to adverse changes in the availability, terms and cost of capital. Such adverse changes could increase our costs of capital and limit our access to external financing sources to fund acquisitions, repurchases of securities or other capital requirements.

Changes in tariffs and trade restrictions can be announced with little or no advance notice. The adoption and expansion of tariffs or other trade restrictions, increasing trade tensions, or other changes in governmental policies related to taxes and tariffs, are difficult to predict, which makes attendant risks difficult to anticipate and mitigate. If we are unable to navigate further changes in U.S. or international trade policy, it could have a material adverse impact on our business and results of operations.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS**Unregistered Sales of Equity Securities**

None.

Issuer Repurchases of Equity Securities

Our common stock repurchase activity for the three months ended March 31, 2025 was as follows:

Period	Total Number of Shares Purchased ⁽¹⁾	Average Price Paid Per Share ⁽²⁾⁽⁴⁾	Total Number of Shares Purchased as Part of Publicly Announced Plan	Approximate Dollar Value of Shares that May Yet Be Purchased Under the Plan ⁽³⁾⁽⁴⁾
(\$ In millions, except per share amounts, shares in thousands)				
January 1, 2025 - January 31, 2025	689	\$ 173.16	689	\$ 2,556
February 1, 2025 - February 28, 2025	853	\$ 158.94	853	\$ 2,420
March 1, 2025 - March 31, 2025	2,269	\$ 151.87	2,114	\$ 2,100
Total	<u>3,811</u>	<u>\$ 157.30</u>	<u>3,656</u>	

- (1) Includes 154,807 shares of common stock repurchased from executives in order to satisfy tax withholding requirements. Such shares are cancelled and retired immediately upon repurchase.
- (2) The average price paid per share includes any commissions paid to repurchase stock.
- (3) On September 18, 2024, our board of directors approved an increase in our common stock repurchase program from \$4.0 billion to \$6.0 billion, excluding excise tax. The stock repurchase program has no time limit and may be suspended, modified, or discontinued by the board of directors at any time.
- (4) The Inflation Reduction Act of 2022, which was enacted into law on August 16, 2022, imposed a nondeductible 1% excise tax on the net value of certain stock repurchases made after December 31, 2022. All dollar amounts presented exclude such excise taxes, as applicable.

ITEM 5. OTHER INFORMATION

None of the Company's directors or officers adopted or terminated a Rule 10b5-1 trading arrangement or a non-Rule 10b5-1 trading arrangement during the Company's fiscal quarter ended March 31, 2025.

ITEM 6. EXHIBITS

EXHIBIT INDEX

Exhibit Number	Description
2.1#	Agreement and Plan of Merger, dated as of February 11, 2024, by and among the Company, Endeavor, Merger Sub I, Merger Sub II and the Company Representative (for purposes of certain sections set forth therein) (incorporated by reference to Exhibit 2.1 to the Form 8-K, File No 001-35700, filed by the Company with the SEC on February 12, 2024).
2.2#	Letter Agreement, amending the Merger Agreement, by and among the Company, Endeavor, Merger Sub I, Merger Sub II and the Company Representative, dated March 18, 2024 (incorporated by reference to Exhibit 2.1 to the Form 8-K, File No 001-35700, filed by the Company with the SEC on March 18, 2024).
3.1	Second Amended and Restated Certificate of Incorporation of the Company (incorporated by reference to Exhibit 3.1 to the Form 8-K, File No. 001-35700, filed by the Company with the SEC on June 14, 2023).
3.2	Certificate of Amendment No. 1 to Second Amended and Restated Certificate of Incorporation of the Company (incorporated by reference to Exhibit 3.1 to the Form 8-K, File No. 001-35700, filed by the Company with the SEC on September 10, 2024).
3.3	Fifth Amended and Restated Bylaws of the Company, adopted as of September 18, 2024 (incorporated by reference to Exhibit 3.1 to the Form 8-K, File No. 001-35700, filed by the Company with the SEC on September 18, 2024).
4.1	Specimen certificate for shares of common stock, par value \$0.01 per share, of the Company (incorporated by reference to Exhibit 4.1 to Amendment No. 4 to the Registration Statement on Form S-1, File No. 333-179502, filed by the Company with the SEC on August 20, 2012).
4.2	Third Supplemental Indenture, dated as of March 20, 2025, between Diamondback Energy, Inc., Diamondback E&P LLC and Computershare Trust Company, National Association, as Trustee (incorporated by reference to Exhibit 4.2 to the Form 8-K, File No. 001-35700, filed by the Company with the SEC on March 20, 2025).
10.1+*	Diamondback Energy, Inc. Amended and Restated Senior Management Severance Plan, adopted effective as of April 6, 2025 (including a form of participation agreement attached thereto as Schedule C).
10.2	Term Loan Credit Agreement, dated as of March 21, 2025, by and among the Company, as borrower, the lenders party thereto, and Bank of America, N.A., as administrative agent (incorporated by reference to Exhibit 10.1 to the Form 8-K, File No 001-35700, filed by the Company with the SEC on March 21, 2025).
10.3	Fifteenth Amendment to Second Amended and Restated Credit Agreement, dated as of March 21, 2025, by and among the Company, as borrower, the lenders and other parties party thereto, and Wells Fargo Bank, National Association, as administrative agent (incorporated by reference to Exhibit 10.2 to the Form 8-K, File No 001-35700, filed by the Company with the SEC on March 21, 2025).
22.1	List of Issuers and Guarantor Subsidiaries (incorporated by reference to Exhibit 22.1 to the Form 10-Q, File No. 001-35700, filed by the Company with the SEC on August 5, 2021).
31.1*	Certification of Chief Executive Officer of the Registrant pursuant to Rule 13a-14(a) promulgated under the Securities Exchange Act of 1934, as amended.
31.2*	Certification of Chief Financial Officer of the Registrant pursuant to Rule 13a-14(a) promulgated under the Securities Exchange Act of 1934, as amended.
32.1**	Certification of Chief Executive Officer of the Registrant pursuant to Rule 13a-14(b) promulgated under the Securities Exchange Act of 1934, as amended, and Section 1350 of Chapter 63 of Title 18 of the United States Code.
32.2**	Certification of Chief Financial Officer of the Registrant pursuant to Rule 13a-14(b) promulgated under the Securities Exchange Act of 1934, as amended, and Section 1350 of Chapter 63 of Title 18 of the United States Code.
101	The following financial information from the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2025, formatted in Inline XBRL: (i) Condensed Consolidated Balance Sheets, (ii) Condensed Consolidated Statements of Operations, (iii) Condensed Consolidated Statement of Changes in Stockholders' Equity, (iv) Condensed Consolidated Statements of Cash Flows, and (v) Notes to the Condensed Consolidated Financial Statements.
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101).

+ Management contract, compensatory plan or arrangement.

* Filed herewith.

** The certifications attached as Exhibit 32.1 and Exhibit 32.2 accompany this Quarterly Report on Form 10-Q pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, and shall not be deemed "filed" by the Registrant for purposes of Section 18 of the Securities Exchange Act of 1934, as amended.

Schedules have been omitted pursuant to Item 601(a)(5) of Regulation S-K promulgated by the SEC. The Registrant agrees to furnish supplementally a copy of any omitted schedule or exhibit to the SEC upon request.

SIGNATURES

Pursuant to the requirements of the Securities and Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

DIAMONDBACK ENERGY, INC.

Date: May 7, 2025

/s/ Travis D. Stice

Travis D. Stice

Chief Executive Officer

(Principal Executive Officer)

Date: May 7, 2025

/s/ Jere W. Thompson III

Jere W. Thompson III

Chief Financial Officer

(Principal Financial Officer)

DIAMONDBACK ENERGY, INC.
AMENDED AND RESTATED
SENIOR MANAGEMENT SEVERANCE PLAN

Effective as of April 6, 2025

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DIAMONDBACK ENERGY, INC.
AMENDED AND RESTATED
SENIOR MANAGEMENT SEVERANCE PLAN

Effective as of April 6, 2025

Diamondback Energy, Inc., a Delaware corporation (the “**Company**”), pursuant to the authorization of the Compensation Committee of the Board, previously adopted the Senior Management Severance Plan, effective February 20, 2020 and amended and restated effective February 21, 2022, and now hereby adopts this Amended and Restated Senior Management Severance Plan (this “**Plan**”) to provide certain severance pay benefits to Eligible Senior Executives who experience an Eligible Termination, in each case, under the terms and conditions provided herein.

ARTICLE 1
PURPOSE AND SCOPE

Section 1.1 Introduction. This Plan is being adopted pursuant to the authorization of the Compensation Committee of the Board for the benefit of certain Eligible Senior Executives of the Company or any other adopting Employer.

Section 1.2 Purpose. The purpose of this Plan is to provide severance pay benefits under the terms and conditions specified in Article 2 and Article 3 to Eligible Senior Executives who are subject to an Eligible Termination. The severance pay benefits provided hereunder are not required by law and nothing herein creates any obligation to pay severance pay benefits of any kind or amount, except as provided by this Plan. No other employee of the Company, an Affiliate, an Employer or any other Person shall have any rights to benefits under this Plan.

Section 1.3 Plan Status. For tax purposes and for purposes of Title I of ERISA, this Plan document is intended to be governed by ERISA as both an unfunded “employee welfare benefit plan” within the meaning of Section 3(1) of ERISA and a “pension plan” within the meaning of Section 3(2) of ERISA that is an unfunded plan maintained primarily for the purpose of providing deferred compensation for a select group of management or highly compensated employees, and shall be interpreted accordingly. This document is intended to serve as both the plan document and, together with the additional information in Appendix A, the summary plan description for this Plan.

ARTICLE 2
ELIGIBILITY FOR SEVERANCE BENEFITS

Section 2.1 Payments and Benefits upon an Eligible Termination (Unrelated to a Change in Control). Subject to the further provisions of this Article 2 and the Participant’s continued compliance with the Participant’s obligations under Article 3 hereof, upon such Participant’s Eligible Termination (other than on account of death or Disability) that does not occur within the Protection Period:

(a) Accrued Obligations. The Employer shall pay or provide to the Participant, the Participant's Accrued Obligations, including any payments required by applicable law, which Accrued Obligations shall be paid within thirty (30) days following the Termination Date.

(b) Prior Year Unpaid Bonus Payment Amount. The Employer shall pay an amount, if any, equal to the bonus that would be payable for services attributable to a completed prior year performance period that, as of the Termination Date, has not been paid under the terms of the Diamondback Energy, Inc. Executive Annual Incentive Compensation Plan, or any successor thereto (the "**Prior Year Bonus**"). The Prior Year Bonus payment amount shall be paid after, and only to the extent, it is certified by the Compensation Committee of the Board, and shall be paid at the same time bonuses to similarly situated executives are paid, as if the terminated Participant continued to be employed on the certification and bonus payment dates (but in no event later than March 15 of the year following the year to which such bonus relates).

(c) Base Salary Continuation. For each month during the period following the Termination Date that applies to the Participant as specified in Schedule A, the Employer shall continue to pay to the Participant an amount equal to the Participant's monthly base salary, as in effect immediately prior to the Termination Date. The Base Salary Continuation amount shall be paid in substantially equal periodic installments in accordance with the normal payroll practices of the Employer, subject to Section 2.4(b) and Article VII.

(d) Prorated Target Annual Bonus. To the extent not paid or payable under the terms of the Diamondback Energy, Inc. Executive Annual Incentive Compensation Plan, or any successor thereto, Employer shall pay to the Participant a lump sum amount in cash equal to the Participant's target annual bonus for the year that includes the Termination Date, prorated to reflect the number of days that the Participant was employed by an Employer or an Affiliate during such calendar year. Such prorated target annual bonus amount shall be paid on the Payment Date.

(e) Group Health Plan Premiums. Provided that the Participant timely and properly elects and continues to be eligible for group health plan continuation coverage under COBRA for the Participant and/or the Participant's eligible dependents under an adopting Employer's or an Affiliate's group health plans, the Employer shall reimburse the Participant on a monthly basis for the premium cost of such COBRA continuation coverage during the Continuation Period. Subject to the Participant submitting adequate substantiation of payment of the applicable COBRA premiums and Section 2.4(b) and Article VII, the reimbursements shall be paid on a monthly basis during the Continuation Period.

(f) Equity Awards. Except as otherwise set forth in a Participation Agreement between the Company and a Participant, each outstanding unvested equity-based compensation award granted by the Company or an Affiliate that is held by or for the Participant shall be forfeited or vested, as applicable, in accordance with the applicable equity award agreement. Any vested awards shall be settled, based on the vesting, forfeiture and settlement terms of the applicable equity award agreements.

Section 2.2 Severance Benefits upon an Eligible Termination (Related to a Change in Control). Subject to the further provisions of this Article 2, upon a Participant's Eligible Termination (other than on account of death or Disability) that occurs within the Protection Period, the Participant shall receive all of the payments and benefits described in Section 2.1 above, except that the following substitution and modification shall be made:

(a) Lump Sum Compensation Payment. In lieu of any Base Salary Continuation payment under Section 2.1(c), the Employer shall pay to the Participant an amount in cash equal to the product of:

(i) the sum of (A) the Participant's annualized base salary as in effect immediately prior to the Termination Date, plus (B) the Annual Bonus Amount; multiplied by

(ii) the Applicable Factor specified in Schedule B that applies to the Participant.

(b) Payment Timing. The lump sum compensation payment amount determined in Section 2.2(a) shall be paid in a single lump sum on the Payment Date.

Section 2.3 Payments upon a Termination of Employment Due to Death or Disability. Subject to the further provisions of this Article 2, upon a Participant's Eligible Termination due to death or Disability:

(a) Accrued Obligations. The Employer shall pay or provide to the Participant or the Participant's Personal representative or estate, the Participant's Accrued Obligations, which Accrued Obligations shall be paid within thirty (30) days following the Termination Date.

(b) Prior Year Unpaid Bonus Payment Amount. The Employer shall pay to the Participant or the Participant's Personal representative or estate the amount of the Participant's Prior Year Bonus, if any. The Prior Year Bonus payment amount shall be paid after, and only to the extent, it is certified by the Compensation Committee of the Board, and shall be paid at the same time bonuses to similarly situated executives are paid, as if the terminated Participant continued to be employed on the certification and bonus payment dates (but in no event later than March 15 of the year following the year to which such bonus relates).

(c) Base Salary Continuation. For each month during the period following the Termination Date that applies to the Participant as specified in Schedule A, the Employer shall continue to pay to the Participant or the Participant's Personal representative or estate an amount equal to the Participant's monthly base salary, as in effect immediately prior to the Eligible Termination. The Base Salary Continuation amount shall be paid in substantially equal periodic installments in accordance with the normal payroll practices of the Employer, subject to Section 2.4(b) and Article VII.

(d) Prorated Target Annual Bonus. To the extent not paid or payable under the terms of the Diamondback Energy, Inc. Executive Annual Incentive Compensation Plan, or any successor thereto, Employer shall pay to the Participant or the Participant's Personal representative or estate a lump sum amount in cash equal to the Participant's target annual bonus for the year that includes the Termination Date prorated to reflect the number of days that the Participant was employed by an Employer or an Affiliate during such calendar year. Such prorated target annual bonus amount shall be paid on the Payment Date.

(e) Equity Awards. Except as otherwise set forth in a Participation Agreement between the Company and a Participant, each outstanding unvested equity-based compensation award granted by the Company or an Affiliate that is held by or for the Participant shall be forfeited or vested, as applicable, in accordance with the terms of the applicable equity award agreements. Any vested awards shall be settled, based on the vesting, forfeiture and settlement terms of the applicable equity award agreements.

Section 2.4 Release and Full Settlement; Payment Timing; Repayment Obligations.

(a) Release and Full Settlement. Any provision of this Plan to the contrary notwithstanding, the payment of any amounts or provision of any benefits under Section 2.1, Section 2.2, Section 2.3 or Section 3.2 (other than the Accrued Obligations and Prior Year Bonus) shall be subject to the Participant's (or, if applicable, the Participant's Personal representative or estate's) execution, within forty-five (45) days following receipt of a waiver and general release of claims substantially in the form attached as Schedule D (the "**Release**") (or such shorter period as set forth in the Release), and the Release becoming effective and irrevocable in accordance with its terms within sixty (60) days following the Termination Date.

(b) Payment Timing. Except as set forth in Article VII, any payments pursuant to Section 2.1, Section 2.2, Section 2.3 or Section 3.2 (other than the Accrued Obligations and Prior Year Bonus) that would otherwise be payable prior to the date the Release becomes effective and irrevocable shall be accrued and paid in a lump sum on the first payroll date following the date that the Release becomes effective and irrevocable (and in any event on or prior to March 15 of the calendar year following the calendar year in which the Termination Date occurs); provided, however, in no event may a Participant, directly or indirectly, designate the taxable year of any payment under this Plan, and to the extent required by Section 409A, any payment that may be paid in more than one calendar year (e.g., depending on the date a Participant executed the Release) shall be paid in the later calendar year.

(c) Clawback or Forfeiture of Payments. The payment of any amounts or provision of any benefits under Section 2.1, Section 2.2, Section 2.3 or Section 3.2 hereof shall be subject to the Participant's continued compliance with the Participant's Restrictive Covenant obligations under Article 3, and, in the event of any breach of such obligations by the Participant, the Participant shall promptly repay the Employer the gross amount or value of any payments or benefits provided under this Article 2. Notwithstanding any provision in this Plan or any Participation Agreement to the contrary, if the Participant breaches the Restrictive Covenant Provisions of Article 3, or if required by any policy of the Company, the Employer or an Affiliate, by the Dodd-Frank Wall Street Reform and Consumer Protection Act or the Sarbanes-

Oxley Act of 2002 or by other applicable law in effect as of the time that any benefit payment is paid hereunder, each Participant's benefits under this Plan shall be conditioned on repayment or forfeiture in accordance with such applicable laws, policy, or any relevant provision of the related Participation Agreement; provided that, following a Change in Control, the Company, the Employer or an Affiliate may not impose on a Participant a more expansive clawback policy or provision than applied prior to such Change in Control unless otherwise required by applicable law. By entering into a Participation Agreement and becoming a Participant under this Plan, each Participant shall have consented to any such clawback, repayment or forfeiture condition, regardless of whether or not such condition is expressly stated in the Participation Agreement.

Section 2.5 Parachute Payments. Notwithstanding any other provisions of this Plan, in the event that any payment or benefit received or to be received by a Participant (including any payment or benefit received in connection with a Change in Control or the termination of a Participant's employment during the Protected Period, whether pursuant to the terms of this Plan or any other plan, arrangement or agreement) (all such payments and benefits, including the payments and benefits under this Plan, being hereinafter referred to as the "**Total Payments**") would be subject (in whole or part), to the excise tax imposed under Section 4999 of the Code (the "**Excise Tax**"), then, after taking into account any reduction in the Total Payments provided by reason of Section 280G of the Code in such other plan, arrangement or agreement, the Total Payments shall be reduced, in the order set forth below, to the extent necessary so that no portion of the Total Payments is subject to the Excise Tax, but only if (x) the net amount of such Total Payments, as so reduced (and after subtracting the net amount of federal, state and local income taxes on such reduced Total Payments and after taking into account the phase out of itemized deductions and Personal exemptions attributable to such reduced Total Payments) is greater than or equal to (y) the net amount of such Total Payments without such reduction (but after subtracting the net amount of federal, state and local income taxes on such Total Payments and the amount of Excise Tax to which the Participant would be subject in respect of such unreduced Total Payments and after taking into account the phase out of itemized deductions and Personal exemptions attributable to such unreduced Total Payments).

(a) Total Payments Reduction. The Total Payments shall be reduced by the Administrator in its reasonable discretion in the following order: (i) cash payments that may not be valued under Treas. Regs. § 1.280G-1, Q&A-24(c) ("**24(c)**"), (ii) equity-based payments that may not be valued under 24(c), (iii) in-kind benefits, (iv) cash payments that may be valued under 24(c) and (v) equity-based payments that may be valued under 24(c), in each case, beginning with payments or benefits that do not constitute non-qualified deferred compensation within the meaning of Section 409A and reducing payments or benefits in reverse chronological order beginning with those that are to be paid or provided the farthest in time from the Termination Date; provided, however, that no reduction of a payment or benefit of nonqualified deferred compensation that is subject to Section 409A of the Code shall be made to the extent that such reduction would result in any other payment or benefit being deemed a substitute (within the meaning of Section 1.409A-3(f) of the Treasury Regulations) for the forfeited amount by reason of such other payment or benefit having a different time or form of payment.

(b) Performance of Calculations. For purposes of determining whether and the extent to which the Total Payments shall be subject to the Excise Tax: (i) no portion of the Total Payments, the receipt or enjoyment of which a Participant has waived at such time and in such manner as not to constitute a “payment” within the meaning of Section 280G(b) of the Code, shall be taken into account; (ii) no portion of the Total Payments shall be taken into account which, in the written opinion of independent accountants of nationally recognized standing (“**Accounting Firm**”) selected by the Company prior to a Change in Control, does not constitute a “parachute payment” within the meaning of Section 280G(b)(2) of the Code (including by reason of Section 280G(b)(4)(A) of the Code) and, in calculating the Excise Tax, no portion of such Total Payments shall be taken into account which, in the opinion of Accounting Firm, constitutes reasonable compensation for services actually rendered, within the meaning of Section 280G(b)(4)(B) of the Code, in excess of the Base Amount (as defined in Section 280G(b)(3) of the Code) allocable to such reasonable compensation; and (iii) the value of any non-cash benefit or any deferred payment or benefit included in the Total Payments shall be determined by the Accounting Firm in accordance with the principles of Sections 280G(d)(3) and (4) of the Code.

(c) Cooperation. If applicable, the Participant, the Company and Affiliates shall each provide the Accounting Firm access to and copies of any books, records and documents in their respective possession, reasonably requested by the Accounting Firm, and otherwise cooperate with the Accounting Firm in connection with the preparation and issuance of the determinations and calculations contemplated by this Section 2.5. Without limiting the generality of the foregoing, to the extent requested by the Participant, the Company and Affiliates shall cooperate with the Participant in good faith in valuing, and the Accounting Firm shall take into account the value of, services provided or to be provided by the Participant (including the Participant’s agreement to refrain from performing services pursuant to a covenant not to compete or similar covenant, before, on or after the date of a change in ownership or control of the Company), such that payments in respect of such services may be considered reasonable compensation under Section 280G of the Code and/or exempt from the definition of the term “parachute payment” within the meaning of Q&A-2(a) of the final regulations under Section 280G of the Code. The fees and expenses of the Accounting Firm for its services in connection with the determinations and calculations contemplated by this Section 2.5 shall be borne by Company.

(d) No Gross-Ups. None of the Company, any Affiliate or any Employer is obligated to provide a gross-up or similar payment to any Participant who is subject to Excise Tax on the Total Payments.

Section 2.6 Coordination with Certain Other Agreements. The benefits under, and participation in, this Plan are intended to supersede and replace the severance and separation benefits to which any Participant may be entitled under any other plan, policy, agreement or arrangement. By executing a Participation Agreement with the Company to participate in this Plan, an Eligible Senior Executive waives any right to severance or separation benefits under any other severance or separation benefits plan, policy, agreement or arrangement of any Employer.

Section 2.7 No Mitigation. A Participant shall not be required to mitigate the amount of any payment or benefit provided for in this Article 2 or Section 3.2 by seeking other employment or otherwise, nor shall the amount of any payment or benefit provided for in this Article 2 or Section 3.2 be reduced by any compensation or benefit earned by the Participant as the result of employment by another employer.

Section 2.8 Deductions from Severance Benefits. The following items shall be deducted from the benefits paid under this Plan:

- (a) all Federal, State and local taxes that the Administrator determines the Plan must or may deduct or withhold;
- (b) to the extent permitted by law, any amounts a Participant owes to the Company, any Affiliate or any Employer; and
- (c) any amount of garnished earnings which are required to be withheld from the Participant's pay, if the Employer has been garnishing the Participant's earnings pursuant to an order of garnishment, child support or tax lien.

Section 2.9 No Reduction for Good Reason. All amounts payable pursuant to this Article 2 shall be calculated without regard to any reduction in compensation that would constitute a basis for termination for Good Reason.

ARTICLE 3 RESTRICTIVE COVENANTS

Section 3.1 Non-Competition and Non-Solicitation Obligations. In consideration of the payments and benefits that may be paid or provided to the Participant hereunder and to protect the trade secrets and confidential information of the Company and its Affiliates that have been and shall in the future be disclosed or entrusted to the Participant, the business goodwill of the Company or its Affiliates, and the business opportunities that have been and shall in the future be disclosed or entrusted to the Participant by the Company or its Affiliates, the Company and the Participant agree to the provisions of this Article 3. The Participant agrees that during the Restricted Period, the Participant shall not:

- (a) Non-Competition. Without the written consent of the Compensation Committee of the Board, at any time or in any manner, either directly or indirectly, become associated with, render services to, invest in, represent, advise or otherwise participate as an officer, employee, director, stockholder, partner, member, agent of or consultant for any company, business, organization or other legal or natural person that engages or participates in the Restricted Business; provided, however, that nothing herein shall prevent a Participant from acquiring up to two percent (2%) of the securities of any company listed on a national securities exchange or quoted on the NASDAQ quotation system; provided that the Participant's involvement with any such company is solely that of a passive stockholder. The covenant contained in this Section 3.1(a) shall be deemed a series of separate covenants for each state, county and city in which the Diamondback Parties' business is conducted or is preparing to be conducted. If, in any judicial proceeding, a court shall refuse to enforce all of the separate covenants deemed included in this Section 3.1(a) because, taken together, they cover too

extensive a geographic area, the parties intend that those covenants (taken in order of the states, counties and cities therein which are least populous) which if eliminated would permit the remaining separate covenants to be enforced in such proceeding, shall, for the purpose of such proceeding, be deemed eliminated from the provisions of this Section 3.1(a).

(b) Non-Solicitation, Non-Hire of Employees. At any time or in any manner, either directly or indirectly, either on the Participant's behalf or on behalf of any Person (other than the Diamondback Parties), recruit, solicit, hire, divert or otherwise encourage or attempt to recruit, solicit, hire, divert or otherwise encourage any individual who at the time of such action is, or in the preceding six months had been, an officer, employee or agent of any Diamondback Party to enter into any employment, consulting or advisory arrangement or contract with or to perform any services for or on Participant's behalf or on behalf of any Person (other than a Diamondback Party), or to enter into any kind of business with Participant or any other Person, including any Restricted Business.

(c) Non-Interference. At any time or in any manner, either directly or indirectly, for the Participant's own account or for the account of any other Person, interfere with any Diamondback Party's relationship with any of its land owners, mineral owners, gatherers, processors, employees, contractors, suppliers or regulators or any other third party with which a Diamondback Party maintains a business relationship.

Section 3.2 Limitations on Non-Competition. Notwithstanding the provisions of Section 3.1, if the Participant provides written notice to the Employer that the Participant shall terminate employment with the Employer pursuant to a resignation by the Participant that does not constitute an Eligible Termination, then, solely for purposes of Section 3.1(a), the Restricted Period shall end on a date selected by the Company and set forth in a written notice provided by the Company to the Participant; provided, however, that (a) the date selected by the Company shall be a whole number of months (not in excess of 12) after the Termination Date and (b) subject to the provisions of Section 2.4, the Employer shall pay to the Participant an amount equal to one-twelfth of the Participant's annualized base salary plus target annual bonus opportunity for each month of the Restricted Period, which amount shall be paid on a prorated basis on each regularly scheduled payroll date during the Restricted Period following the Termination Date; provided that the payments with respect to the first sixty (60) days of the Restricted Period shall be accrued and paid in a lump sum on the first payroll date following the sixtieth (60th) day after the Termination Date (and in any event by March 15 of the calendar year following the calendar year in which the Termination Date occurs). The Participant hereby delegates to the Company the right to select and determine in good faith the duration of the Restricted Period as provided in this Section 3.2.

Section 3.3 Non-Disparagement. During and following the Participant's employment with the Employer, the Participant agrees not to make public statements, negative comments or otherwise disparage any Diamondback Party or any Diamondback Party's officers, directors, employees, agents, shareholders or other equity holders in any manner harmful to them or their business, business reputation or personal reputation. The foregoing shall not be violated by truthful statements in response to legal process, required governmental testimony or filings, or administrative or arbitral proceedings (including depositions in connection with such proceedings).

Section 3.4 Return of Property. All materials, records and documents in any medium made by a Participant or coming into a Participant's possession during employment concerning any products, processes or services, manufactured, used, developed, investigated, provided or considered by any Diamondback Party or otherwise concerning the business or affairs of the Diamondback Parties, are the sole property of the applicable Diamondback Party, and upon termination of a Participant's employment, or upon request of the Company during employment, a Participant shall promptly deliver the same to the Diamondback Party designated by the Company. In addition, upon termination of employment, or upon request of the Company during a Participant's employment, the Participant shall deliver to the Diamondback Party designated by the Company all other property of the Diamondback Parties in the Participant's possession or under the Participant's control, including, but not limited to, confidential or proprietary data or information, financial statements, marketing and sales data, drawings, documents and electronic records.

Section 3.5 Cooperation. Upon the receipt of reasonable notice from the Company, an Employer or an Affiliate (including outside counsel), the Participant agrees that while employed by any Diamondback Party and thereafter, the Participant shall provide reasonable assistance to any Diamondback Party and their respective representatives in defense of any claims that may be made against any Diamondback Party and shall assist any Diamondback Party in the prosecution of any claims that may be made by any Diamondback Party, to the extent that such claims relate to the period of the Participant's employment with a Diamondback Party. Participants agree to promptly inform the Company if they become aware of any lawsuits involving such claims that may be filed or threatened against any Diamondback Party. Participants also agree to promptly inform the Company (to the extent legally permitted to do so) if asked to assist in any investigation of any Diamondback Party (or its actions), regardless of whether a lawsuit or other proceeding has then been filed against any Diamondback Party with respect to such investigation. Upon presentation of appropriate documentation, the Company or an Employer shall pay or reimburse the Participant for all reasonable, out-of-pocket expenses incurred in complying with this Section 3.5. If at the time of compliance the Participant is no longer an employee, officer or director (or functional equivalent) of any Diamondback Party, the Company or an Employer shall provide a reasonable per diem.

Section 3.6 Confidential Information.

(a) Confidentiality. In the course of employment with the Diamondback Parties, a Participant shall have had, and/or shall have, access to confidential or proprietary data or information of the Diamondback Parties. Each Participant hereby agrees to not at any time during or after employment divulge or communicate to any Person (which term, for purposes of this Plan, includes both individual Persons or entities) or direct any employee of a Diamondback Party to divulge or communicate to any Person (other than to a Person bound by confidentiality obligations similar to those contained herein and other than as necessary in performing your duties hereunder), or use to the detriment of the Diamondback Parties or for the benefit of any other Person, any of such data or information. No business conducted by a Participant or any organization of which a Participant, directly or indirectly, is an owner, partner, manager, joint venturer, director, officer, manager or otherwise a participant in or connected with in any locality, state or country in which the Diamondback Parties conduct business may use any name, designation or logo which is substantially similar to that presently used by any Diamondback

Party. The term “**confidential or proprietary data or information**” as used in this Plan means any information not generally available to the public or generally known within the applicable Diamondback Party’s industry, including personnel information, financial information, customer lists or contacts, vendor lists and pricing information, strategy and plans, engineering data and analysis, maps, samples, well logs, well production information, geological data, geophysical data, seismic data, information regarding operations, systems, services, know-how, computer and any other processed or collated data, trade secrets (including software), computer programs, pricing, marketing and advertising data.

(b) **Proprietary Information and Disclosure.** Each Participant shall at all times promptly disclose to the Company, in such form and manner as the Company or an Employer may require, any inventions, improvements or procedural or methodological innovations, program methods, forms, systems, services, designs, marketing ideas, products or processes (whether or not capable of being trademarked, copyrighted or patented) conceived or developed or created by the Participant during or in connection with employment with any Diamondback Party and which relate to the business of any Diamondback Party (“**Intellectual Property**”). Each Participant agrees that all such Intellectual Property constitutes a work-for-hire and shall be the sole property of the applicable Diamondback Party. Each Participant further agrees that he or she shall execute such instruments and perform such acts as may be requested by the Company or an Employer to transfer to and perfect in the entity designated by the Company all legally protectable rights in such Intellectual Property.

Section 3.7 Protected Rights. The Company hereby informs each Participant that, notwithstanding any provision of this Plan to the contrary, an individual may not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of a trade secret that (a) is made in confidence to a federal, state, or local government official, either directly or indirectly, or to an attorney, and solely for the purpose of reporting or investigating a suspected violation of law, or (b) is made in a complaint or other document that is filed under seal in a lawsuit or other proceeding. Further, an individual who files a lawsuit for retaliation by an employer for reporting a suspected violation of law may disclose the employer’s trade secrets to the attorney and use the trade secret information in the court proceeding if the individual files any document containing the trade secret under seal and does not disclose the trade secret, except pursuant to court order. In addition, nothing in this Plan shall prohibit a Participant from (x) disclosing truthful information if legally required (whether by oral questions, interrogatories, requests for information or documents, subpoena, civil investigative demand or similar process) or (y) exercising any legally protected whistleblower rights (including pursuant to Rule 21F under the Securities Exchange Act of 1934, as amended).

Section 3.8 Remedies and Injunctive Relief. Each Participant acknowledges that a violation by a Participant of any of the covenants contained in this Article III would cause irreparable damage to the Diamondback Parties in an amount that would be material but not readily ascertainable, and that any remedy at law (including the payment of damages) would be inadequate. Accordingly, each Participant agrees that, notwithstanding any provision of this Plan to the contrary, in addition to any other damages the Diamondback Parties are able to show and any other legal or equitable remedies the Diamondback Parties may have, in the event of a violation by a Participant of any of the covenants contained in this Article III, the Diamondback Parties shall be entitled (without the necessity of showing economic loss or other actual damage)

to (a) cease payment of the compensation and benefits contemplated by this Plan to the extent not previously paid or provided, (b) the prompt return by such Participant of any portion of such compensation and the value of such benefits previously paid or provided and (c) injunctive relief (including temporary restraining orders, preliminary injunctions and permanent injunctions), without posting a bond, in any court of competent jurisdiction for any actual or threatened breach of any of the covenants set forth in this Article III. The preceding sentence shall not be construed as a waiver of the rights that the Diamondback Parties may have for damages under this Plan or otherwise, and all such rights shall be unrestricted. The Restricted Period shall be tolled during (and shall be deemed automatically extended by) any period during which a Participant is in violation of the provisions of Section 3.1 or Section 3.2, as applicable. In the event that a court of competent jurisdiction determines that any provision of this Article III is invalid or more restrictive than permitted under the governing law of such jurisdiction, then, only as to enforcement of this Article III within the jurisdiction of such court, such provision shall be interpreted and enforced as if it provided for the maximum restriction permitted under such governing law.

Section 3.9 Acknowledgements.

(a) Each Participant acknowledges that the Diamondback Parties have expended and shall continue to expend substantial amounts of time, money and effort to develop business strategies, employee, customer and other relationships and goodwill to build an effective organization. Each Participant further acknowledges that the Diamondback Parties have a legitimate business interest in and right to protect their confidential or proprietary data or information, goodwill and employee, customer and other relationships, and that the Diamondback Parties would be seriously damaged by the disclosure of their confidential or proprietary data or information and the loss or deterioration of their employee, customer and other relationships. Each Participant further acknowledges that the Diamondback Parties are entitled to protect and preserve the going concern value of the Diamondback Parties to the extent permitted by law.

(b) In light of the foregoing acknowledgments, each Participant agrees that the covenants contained in this Plan are reasonable and properly required for the adequate protection of the businesses and goodwill of the Diamondback Parties. Each Participant further acknowledges that, although the Participant's compliance with the covenants contained in this Plan may prevent the Participant from earning a livelihood in a business similar to the business of the Diamondback Parties, the Participant's experience and capabilities are such that the Participant has other opportunities to earn a livelihood and adequate means of support for the Participant and the Participant's dependents.

(c) In light of the acknowledgements contained in this Section 3.9, the Participant agrees not to challenge or contest the reasonableness, validity or enforceability of any limitations on, and obligations of, him contained in this Plan.

ARTICLE 4
CLAIMS AND APPEAL PROCEDURES

Section 4.1 Filing Claim for Benefits. If a Participant or Beneficiary (“**Claimant**”) believes he or she has not received the benefits Claimant is entitled to receive under the terms of the Plan, Claimant may file a claim for benefits with the Administrator. All claims must be made in writing and must be signed by Claimant or an authorized representative. If Claimant does not furnish sufficient information to determine the validity of the claim, the Administrator shall indicate to Claimant any additional information which is required.

Section 4.2 Notification by the Administrator. Each claim shall be approved or disapproved by the Administrator within 90 days following the receipt of the information necessary to process the claim (45 days if the claim relates to a Plan determination of disability (a “**Disability Claim**”). In the event the Administrator denies a claim for benefits in whole or in part, the Administrator shall notify Claimant in writing or by electronic notification of the denial of the claim. Such notice by the Administrator shall also set forth, in a manner calculated to be understood by Claimant, the specific reason for such denial, the specific Plan provisions on which the denial is based, a description of any additional material or information necessary to perfect the claim with an explanation of why such material or information is necessary, and an explanation of this Plan’s claim review procedure as set forth in Section 4.3 and the time limits applicable to such procedures, including a statement of Claimant’s right to bring a civil action under Section 502 of ERISA following a claim denial after review. These periods may be extended by the Administrator for up to 90 days (30 days in the case of a Disability Claim), if the Administrator determines that such an extension is necessary due to matters beyond the control of the Plan and notifies Claimant, prior to expiration of the initial notification period, of the circumstances requiring an extension of time and the date by which the Administrator expects to render a decision. In the case of a Disability Claim, the Administrator may further extend the period for making a determination by up to an additional 30 days if, prior to the end of the first 30 day extension period, the Administrator determines that such an additional extension is necessary due to matters beyond the control of this Plan and notifies Claimant of the circumstances requiring an extension of time and the date by which the Administrator expects to render a decision. If no action is taken by the Administrator on a claim within 90 days (45 days for a Disability Claim), the claim shall be deemed to be denied for purposes of the review procedure, unless the failure was a de minimis violation that does not cause and is not likely to cause prejudice or harm to Claimant and the Administrator demonstrates that the failure was for good cause or due to matters beyond the control of the Administrator and that the failure occurred in the context of an ongoing good-faith exchange of information between this Plan and Claimant.

Section 4.3 Review Procedure. A Claimant may appeal a denial of his or her claim by requesting a review of the decision by the Administrator or a Person designated by the Administrator, which Person shall be a Named Fiduciary under Section 402(a)(2) of ERISA for purposes of this Section 4.3. An appeal must be submitted in writing within 60 days (180 days in the case of a Disability Claim) after the denial and must:

- (a) request a review of the claim for benefits under this Plan;

(b) set forth all of the grounds under which Claimant's request for review is based and any facts in support thereof; and

(c) set forth any issues or comments which Claimant deems pertinent to the appeal.

In connection with an appeal, Claimant and his or her legal representative shall be given the opportunity to:

(i) submit written comments, documents, records, and other information relating to the claim for benefits; and

(ii) obtain reasonable access, upon request and free of charge, to review and obtain copies of pertinent documents or materials upon submission of a written request to the Administrator or Named Fiduciary; provided that the Administrator or Named Fiduciary finds the requested documents or materials are relevant to Claimant's claim for benefits within the meaning of claims procedure regulation 29 C.F.R. § 2560.503-1(m)(8).

On the basis of its review, the Administrator or Named Fiduciary shall make an independent determination of Claimant's eligibility for benefits under the Plan. The review shall take into account all comments, documents, records, and other information submitted by Claimant relating to the claim for benefits, without regard to whether such information was submitted or considered in the initial benefit claim determination. The Administrator or the Named Fiduciary designated by the Administrator shall act upon each appeal within 60 days (45 days in the case of a Disability Claim appeal) after receipt thereof, unless special circumstances require an extension of the time for processing, in which case a decision shall be rendered as soon as possible, but not later than 120 days (90 days in the case of a Disability Claim appeal) after the appeal is received. The decision of the Administrator or Named Fiduciary on any claim for benefits shall be final and conclusive upon all parties thereto. In the event the Administrator or Named Fiduciary denies an appeal in whole or in part, it shall give written or electronic notice of the decision to Claimant within five days of the date the determination is made, which notice shall set forth in a manner calculated to be understood by Claimant the specific reasons for such denial and which shall make specific reference to the pertinent Plan provisions on which the decision was based. The notice shall also contain a statement that Claimant is entitled to receive upon request and free of charge, reasonable access to, and copies of, all documents, records, and other information relevant to claimant's claim for benefits, within the meaning of claims procedure regulation 29 C.F.R. § 2560.503-1(m)(8) and a statement of Claimant's right to bring a civil action under Section 502 of ERISA.

(d) Effective for Disability Claims filed on or after the Effective Date, the following additional rules shall apply:

(i) Notice to Claimant of any extension of the 45-day period for initial determination must include the circumstances requiring the extension and the date as of which a decision is expected, with a specific explanation of the standards on which entitlement to a disability benefit are based, the unresolved issues preventing a decision

on the Disability Claim and the information needed to resolve those issues, and must give Claimant 45 days to provide any information requested.

(ii) In addition to the information provided with respect to other claims, the notification of denial of a Disability Claim must include the following:

(A) a discussion of the decision, including an explanation of the basis for disagreeing with or not following the views presented by Claimant to the Plan of health care professionals who are treating the Participant and vocational professionals who have evaluated the Participant; medical or vocational experts whose advice was obtained on behalf of the Plan in connection with the Disability Claim, without regard to whether the advice was relied on in making the determination; and any disability determination made by the Social Security Administration presented to the Plan by Claimant;

(B) either the specific internal rules, guidelines, protocols, standards or other similar criteria of the Plan relied on in making the decision, or a statement that such rules, guidelines, protocols, standards or other similar criteria of the Plan do not exist; and

(C) a statement that Claimant may request, free of charge, reasonable access to and copies of all documents, records and other information relevant to the Disability Claim.

(iii) Subsequent review of any decision denying a Disability Claim must be conducted by an independent and impartial fiduciary not involved in the initial determination. Claimant shall be notified in writing not later than 45 days after receipt of a request for a review. This 45-day period may be extended for an additional 45 days if special circumstances require the extension. Before the Plan can issue an adverse determination on appeal, Claimant shall be provided, free of charge, with any new or additional evidence considered, relied on or generated by the Plan administrator or other Person making the benefit determination (or at the direction of the Plan administrator or such other Person) in connection with the Disability Claim. Such evidence shall be provided to Claimant as soon as possible and sufficiently before the deadline for the notice of adverse determination, to give Claimant a reasonable opportunity to respond. Before the Plan can issue an adverse determination on appeal based on new or additional rationale, Claimant shall be provided, free of charge, with such rationale. The rationale shall be provided as soon as possible and sufficiently before the deadline for the notice of adverse determination to give Claimant a reasonable opportunity to respond.

(iv) In addition to the information provided for all other claims on appeal, the notice of determination of a Disability Claim appeal must include an explanation of the basis for disagreeing with or not following the views presented by Claimant of health care professionals treating the Participant and vocational professionals who evaluated the Participant, the views of medical or vocational experts whose advice was obtained on behalf of the Plan administrator (regardless of whether the advice was relied upon), and any disability determination of the Social Security Administration

presented by Claimant to the Plan administrator. The notice also shall include either the specific internal rules, guidelines, protocols, standards or other similar criteria relied on in making the decision or a statement that no such rules, guidelines, protocols, standards or other similar criteria exist, and a statement informing Claimant of his or her right to bring a civil suit under federal law (and a description of the Plan's limitation period for doing so, if any).

Section 4.4 Administrator's Authority. As provided in Section 5.1, the Plan Administrator has the discretionary authority to interpret the Plan, make factual findings and determinations and make final decisions with respect to paying claims under the Plan. All determinations of the Plan administrator shall be final, conclusive and binding on all interested parties, unless the actions of the Plan Administrator are arbitrary and capricious. Notwithstanding the foregoing or any other provision of this Plan to the contrary, after a Change in Control, any arbitrator, court or tribunal that adjudicates any dispute, controversy or claim in connection with this Policy shall apply a *de novo* standard of review to any determinations made by the Administrator or the Employer. Such *de novo* standard shall apply notwithstanding the grant of full discretion hereunder to the Administrator or any person or characterization of any decision by the Administrator or by such person as final, binding or conclusive on any party.

ARTICLE 5 PLAN ADMINISTRATION

Section 5.1 In General. The general administration of the Plan and the duty to carry out its provisions shall be vested in the Administrator, which shall be the "plan administrator" as that term is defined in Section 3(16)(A) of ERISA. This Plan and the severance benefits payable under this Plan shall be administered by the Administrator, which shall be the Compensation Committee of the Board or its delegate, unless otherwise appointed from time to time by the Board. The Administrator may, in its discretion, secure the services of other parties, including agents and/or employees to carry out the day-to-day functions necessary to an efficient operation of the Plan. The Administrator's interpretations, decisions, requests and exercises of power and responsibilities shall not be subject to review by anyone and shall be final, binding, and conclusive upon all Persons. The Administrator shall, in its sole and absolute discretion, have the exclusive right to interpret all of the terms of the Plan, to determine eligibility for coverage and benefits, to make reasonable and uniform rules and regulations required in the administration of the Plan, to resolve disputes as to eligibility, type, or amount of benefits, to correct any errors or omissions in the form or operation of the Plan, to make such other determinations with respect to the Plan, and to exercise such other powers and responsibilities as shall be provided for in the Plan or as shall be necessary or helpful with respect thereto. The Administrator under and pursuant to this Plan shall be the named fiduciary for purposes of Section 402(a) of ERISA with respect to all powers and duties expressly or implicitly assigned to it hereunder. Notwithstanding the foregoing or any other provision of this Plan to the contrary, after a Change in Control, any arbitrator, court or tribunal that adjudicates any dispute, controversy or claim in connection with this Policy shall apply a *de novo* standard of review to any determinations made by the Administrator or the Employer. Such *de novo* standard shall apply notwithstanding the grant of full discretion hereunder to the Administrator or any person or characterization of any decision by the Administrator or by such person as final, binding or conclusive on any party.

Section 5.2 Reimbursement and Compensation. The Administrator shall receive no compensation for its services as Administrator, but it shall be entitled to reimbursement for all sums reasonably and necessarily expended by it in the performance of such duties.

ARTICLE 6 AMENDMENT AND TERMINATION

The Company, by action of the Compensation Committee of its Board, reserves the right to amend or terminate the Plan, without the consent of any Person or entity. However, no such amendment may eliminate the right to receive severance benefits which an Eligible Senior Executive has accrued or become entitled to under Article 2 of the Plan prior to the effective date of such amendments or termination. Such amendment or termination shall be effective when adopted in an instrument in writing, duly executed on behalf of the Company. This Plan may not be amended on or following a Change in Control to adversely affect the benefits or rights to benefits (contingent or otherwise) of any Participant under this Plan or terminated on or following a Change in Control until there are no longer any benefits potentially payable under this Plan. Further, a participating Employer may not terminate its participation in this Plan on or following a Change in Control unless and until it no longer employs any Participants and has otherwise satisfied its obligations to pay benefits under this Plan.

ARTICLE 7 CODE SECTION 409A

Section 7.1 Deferred Compensation Exceptions. The obligations under this Plan are intended to comply with the requirements of Section 409A of the Code (“**Section 409A**”) or an exemption or exclusion therefrom and shall in all respects be administered in accordance with Section 409A. Any payments that qualify for the “short-term deferral” exception, the separation pay exception or another exception under Section 409A shall be paid under the applicable exception to the maximum extent possible and shall not be treated as nonqualified deferred compensation and shall not be aggregated with other nonqualified deferred compensation plans or payments.

Section 7.2 Separate Payments and Payment Timing. Any payment or installment made under this Plan, any amount that is paid as a short-term deferral, within the meaning of Treas. Regs. §1.409A-1(b)(4), and any payment within the involuntary separation pay safe harbor exception in Treas. Regs. §1.409A-1(b)(9)(iii) shall be treated as a separate payment. Payment dates provided for in this Plan shall be deemed to incorporate grace periods that are treated as made upon a designated payment date within the meaning of Code Section 409A and Treas. Regs. §1.409A-3(d). The Company does not guaranty or warrant the tax consequences of this Plan and, except as specifically provided to the contrary in this Plan, each Eligible Senior Executive, in all cases, shall be liable for any taxes due as a result of this Plan. Neither the Company nor any of its Affiliates shall have any obligation to indemnify or otherwise hold any Eligible Senior Executive harmless from any or all such taxes, interest or penalties, or liability for any damages related thereto.

Section 7.3 General Section 409A Provisions. If for any reason, the short-term deferral or involuntary separation pay plan exception is inapplicable, payments and benefits payable to any Participant under this Plan are intended to comply with the requirements of Section 409A. To the extent the payments and benefits under this Plan are subject to Section 409A, this Plan shall be interpreted, construed and administered in a manner that satisfies the requirements of Sections 409A(a)(2), (3) and (4) of the Code (and any applicable transition relief under Section 409A of the Code).

(a) If the Company determines that any payments or benefits payable under this Plan intended to comply with Sections 409A(a)(2), (3) and (4) of the Code do not comply with Section 409A of the Code, the Company may amend this Plan, or take such other actions as the Company deems reasonably necessary or appropriate, to comply with the requirements of Section 409A of the Code (and any applicable relief provisions) while preserving the economic agreement of the parties. If any provision of the Plan would cause such payments or benefits to fail to so comply, such provision shall not be effective and shall be null and void with respect to such payments or benefits, and such provision shall otherwise remain in full force and effect.

(b) All payments considered nonqualified deferred compensation under Section 409A shall be made on the date(s) provided herein and no request to accelerate or defer any payment under this Section shall be considered or approved for any reason whatsoever, except as permitted under Section 409A. Notwithstanding the foregoing, amounts payable hereunder which are not nonqualified deferred compensation, or which may be accelerated pursuant to Section 409A, such as distributions for applicable tax payments, may be accelerated, but not deferred, at the sole discretion of Company.

(c) To the extent required to comply with Section 409A, all references in this Plan to termination of employment or termination mean an Employee's "separation from service" as that term is defined in Section 1.409A-1(h) of the Treasury Regulations.

(d) Notwithstanding anything to the contrary in this Plan, all reimbursements and in-kind benefits provided under this Plan that are subject to Section 409A of the Code shall be made in accordance with the requirements of Section 409A of the Code, including as applicable, the following requirements: (i) in no event shall the Employer's obligations to make such reimbursements or to provide such in-kind benefits apply later than the Participant's remaining lifetime; (ii) the amount of expenses eligible for reimbursement, or in-kind benefits provided, during a calendar year may not affect the expenses eligible for reimbursement, or in-kind benefits to be provided, in any other calendar year; (iii) the reimbursement of any eligible fees and expenses shall be made no later than the last day of the calendar year following the year in which the applicable fees and expenses were incurred; and (iv) the right to reimbursement or in-kind benefits is not subject to liquidation or exchange for another benefit.

Section 7.4 Specified Employee Status.

(a) If a Participant is a specified employee (within the meaning of Section 409A) on the date of Participant's separation from service, any payments made with respect to such separation from service under this Plan, and other payments or benefits under this Plan that are subject to Section 409A, shall be delayed to the extent necessary to comply with Section

409A(a)(2)(B)(i) of the Code, and such payments or benefits shall be paid or distributed to you during the five-day period commencing on the earlier of (i) the expiration of the six-month period measured from the date of Participant's separation from service and (ii) the date of Participant's death. Upon the expiration of the applicable six-month period under Section 409A(a)(2)(B)(i) of the Code, all payments deferred pursuant to this Section 7.4 shall be paid to the Participant (or the Participant's estate, in the event of the Participant's death) in a lump sum payment. Any remaining payments and benefits due under this Plan shall be paid as otherwise provided in this Plan.

(b) To minimize the risk that the six (6)-month delay pursuant to the preceding paragraph shall disrupt coverage under any employee benefit plan in which a Participant is entitled to participate following the Termination Date, payments that qualify for the "short-term deferral" exception, the separation pay exception or another exception under Section 409A that are made during the six (6) months following the Termination Date shall first be applied to cover any costs relating to such continued employee benefits plan coverage, and thereafter shall be made in respect of other amounts or benefits owed to the Participant.

ARTICLE 8 MISCELLANEOUS INFORMATION

Section 8.1 Other Participating Employers. The Company is the Plan sponsor and Diamondback E&P LLC is an adopting Employer under this Plan. It is contemplated that other subsidiaries and Affiliates of the Company may adopt this Plan, with the approval of the Compensation Committee of the Board, and thereby become an Employer hereunder. Any such entity, whether or not presently existing, may become an Employer by appropriate action of its board of directors or non-corporate counterpart. The provisions of this Plan shall apply separately and equally to each Employer and its employees in the same manner as is expressly provided for the Company and its employees, except that the determination of whether a Change in Control has occurred shall be made based solely by the Company. Transfer of employment among the Company and other participating Employers shall not be considered an Eligible Termination hereunder unless such transfer otherwise constitutes a Good Reason event. A sale of assets or other transaction where a Participant's employment is transferred to a successor or acquiring entity and there is no loss of employment shall not be considered an Eligible Termination hereunder unless such transfer otherwise constitutes a Good Reason event. Subject to the provisions of Article 6, any participating Employer may, by appropriate action of its board of directors or non-corporate counterpart, terminate its participation in this Plan. Amounts payable hereunder shall be paid by the Employer that employs the particular Participant.

Section 8.2 Limitation of Rights. Neither the establishment of the Plan nor any amendment thereof, nor the payment of any benefits, shall be construed as giving to any Participant, or other Person any legal or equitable right against the Company, any of its Affiliates, or any Person acting on behalf of the Company or any of its Affiliates, except as expressly provided herein. Likewise, nothing appearing in or done pursuant to the Plan shall be held or construed to create a contract of employment with any Participant or to be consideration for the employment of any Participant. Nothing contained herein shall be deemed to (a) give any person the right to be retained in the employ of the Employer, (b) restrict the right of the Employer to discharge any Participant at any time, (c) restrict any Participant's right to terminate

employment at any time, or (d) change the “at will” nature of the employment relationship between the Participant and the Employer.

Section 8.3 Governing Law. The provisions of this Plan shall be construed, enforced and administered according to the laws of the State of Delaware, to the extent not preempted by ERISA and any otherwise applicable federal law.

Section 8.4 Jurisdiction and Venue. Exclusive jurisdiction and venue of all disputes arising out of or relating to this Plan shall be in any court of appropriate jurisdiction in Midland, Texas, or if such courts do not have jurisdiction or shall not accept jurisdiction, in any court of general jurisdiction in the State of Texas. All Participants hereby irrevocably consent to the exclusive jurisdiction by any such court with respect to any such proceeding and hereby irrevocably waive, and agree not to assert, by way of motion, as a defense, counterclaim or otherwise (a) any claim that such Participant is not personally subject to the jurisdiction of the above-named courts for any reason other than by failure to lawfully serve process, (b) that such Participant or such Participant’s property is exempt or immune from the jurisdiction of any such court or from any legal process commenced in such courts, and (c) to the fullest extent permitted by applicable law, that (i) the action or proceeding is brought in an inconvenient forum, (ii) the venue of such action or proceeding is improper and (iii) this Plan or the subject matter thereof may not be enforced in or by such courts. The provisions of this Section 8.4 shall survive and remain in effect until all obligations are satisfied, notwithstanding any termination of this Plan.

Section 8.5 Waiver of Trial by Jury. To the extent not prohibited by applicable law, each Participant under this Plan hereby waives, and covenants that such Participant shall not assert (whether as plaintiff, defendant or otherwise), their respective right to a jury trial of any permitted claim or cause of action arising out of this Plan, any of the transactions contemplated hereby, or any dealings between any of the parties hereto relating to the subject matter of this Plan or any of the agreements or transactions contemplated hereby. The scope of this waiver and covenant is intended to be all encompassing of any and all disputes that may be filed in any court and that relate to the subject matter of this Plan or any of the transactions contemplated hereby, including, ERISA claims, contract claims, tort claims and all other common law and statutory claims. This waiver and covenant is irrevocable and shall apply to any subsequent amendments, supplements or other modifications to this Plan.

Section 8.6 Legal Fees. Notwithstanding any provision of the Plan to the contrary, following a Change in Control, the Employer shall pay as incurred, within ten (10) days following the Employer’s receipt of an invoice from the Participant and to the fullest extent permitted by law, all legal fees and expenses that the Participant may reasonably incur as a result of any contest (regardless of the outcome thereof) by the Employer, the Participant or others of the validity or enforceability of, or liability under, any provision of this Plan or any guarantee of performance thereof, whether such contest is between the Company and the Participant or between either of them and any third party (including as a result of any contest by the Participant about the amount of any payment pursuant to this Plan), plus in each case interest on any delayed payment at the applicable federal rate provided for in Section 7872(f)(2)(A) of the Code determined as of the date such legal fees and expenses were incurred.

Section 8.7 No Assignment. Participants not have any right to pledge, hypothecate, anticipate or assign benefits or rights under this Plan, except by will or the laws of descent and distribution. The provisions of this Plan shall inure to the benefit of and be enforceable by each Participant and such Participant's Personal or legal representatives, executors, administrators, successors, heirs, distributees, devisees and legatees. If a Participant should die before severance benefit payments hereunder have been paid in full, the remaining severance pay benefit payments shall be paid in accordance with the terms of this Plan to such Participant's surviving spouse, or if there is no surviving spouse to the Participant's surviving children or, if there are no surviving children, to the Participant's estate. The provisions of this Plan, including the Participant covenants herein, shall inure to the benefit of and be enforceable by the Company and its Affiliates, successors and assigns.

Section 8.8 Severability. If any provision of this Plan is held invalid or unenforceable, its validity or unenforceability shall not affect any other provisions of this Plan, and this Plan shall be construed and enforced as if such provision had not been included herein.

Section 8.9 Information Requested. Participants or other Persons entitled to benefits hereunder shall provide the Company, the Employer, the Administrator, and their authorized representatives with such information and evidence, and shall sign such documents, as may reasonably be requested from time to time for the purpose of administration of the Plan.

Section 8.10 Basis of Payments to and From Plan. The benefits provided herein shall be unfunded and shall be provided from the Employers' general assets. No Participant shall have any right to, or interest in, any assets of any Employer that may be applied by the Employer to the payment of amounts due hereunder.

ARTICLE 9 DEFINITIONS AND CONSTRUCTION

Section 9.1 Definitions. Wherever used herein, the following terms shall have the following meanings, unless the context clearly requires a different meaning:

(a) **"Accrued Obligations"** means the Participant's unpaid base salary through the Termination Date, any unreimbursed business expenses, and any amount arising from the Participant's participation in, or benefits under, any employee benefit plans, programs or arrangements, which amounts shall be payable in accordance with the requirements of applicable law and the terms and conditions of such employee benefit plans, programs or arrangements.

(b) **"Administrator"** means the Compensation Committee of the Board, or its delegate, or such other committee or Person appointed by the Board in accordance with Section 5.1.

(c) **"Affiliate"** means any parent corporation or subsidiary corporation of the Company, whether now or hereafter existing, as those terms are defined in Sections 424(e) and (f), respectively, of the Code and any individual, partnership, corporation, limited liability company, association, joint stock company, trust, joint venture or unincorporated organization that directly, or indirectly through one or more intermediaries, controls, is controlled by, or is

under common control with the Company. For this purpose “control” means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of another, whether through ownership of voting securities, by contract or otherwise.

(d) “**Annual Bonus Amount**” means the greater of (i) the average of the annual bonuses, if any, paid or payable to the Participant with respect to the three years most recently completed as of the Termination Date (or for any shorter period of the Participant’s employment, if such Participant has not been employed for three years and with any partial years annualized or years for which such Participant was not eligible for an annual bonus disregarded) and (ii) the Participant’s target annual bonus opportunity as of the Termination Date. For purposes of clarity, any accelerated payment at target of an annual incentive award upon the occurrence of a change in control under Section 6(h) of the Diamondback Energy, Inc. Executive Annual Incentive Compensation Plan (or any successor annual cash incentive compensation plan or program) shall be excluded from the calculation of average annual bonus under clause (i).

(e) “**Applicable Factor**” means the relevant factor specified as applicable to the Eligible Senior Executive, as set forth on the attached Schedule B.

(f) “**Beneficial Owner**” has the meaning assigned to such term in Rule 13d-3 and Rule 13d-5 under the Securities Exchange Act of 1934, as amended, except that in calculating the beneficial ownership of any particular Person, such Person shall be deemed to have beneficial ownership of all securities that such Person has the right to acquire by conversion or exercise of other securities, whether such right is currently exercisable or is exercisable only after the passage of time, the satisfaction of performance goals, or both. The terms “**Beneficially Owns**,” “**Beneficial Ownership**” and “**Beneficially Owned**” have a corresponding meaning.

(g) “**Board**” means the Board of Directors of the Company and includes the Compensation Committee of the Board with respect to matters where the Compensation Committee has authority to act on behalf of the Board.

(h) “**Cause**” means a Participant’s (i) willful or knowing refusal or failure (other than during periods of illness, physical or mental incapacity) to perform Participant’s duties in any material respect; (ii) willful misconduct or gross negligence in the performance of duties; (iii) material breach of this Plan, a Participation Agreement, any agreement entered into by Participant related to the Company or its Affiliates, or any Company or Affiliate policy (including any applicable code of conduct); (iv) material breach of any of the Restrictive Covenants provisions in Article 3; or (v) conviction of, entry of a guilty plea or a plea of nolo contendere to any criminal act that constitutes a felony or involves, fraud, dishonesty, or moral turpitude..

(i) “**Change in Control**” means:

(i) The direct or indirect sale, transfer, conveyance or other disposition (other than by way of merger or consolidation), in one or a series of related transactions occurring within a 12-month period, of all or substantially all of the assets of the Company to any Person, where “substantially all” means assets of the Company having a total gross fair market value equal to 40% or more of the total gross fair market

value of all of the Company's assets immediately before such transaction or series of transactions;

(ii) The Incumbent Directors cease for any reason to constitute a majority of the Board;

(iii) The adoption of a plan relating to the liquidation or dissolution of the Company;

(iv) Any Person acquires stock of the Company that results in such Person holding Beneficial Ownership of stock of the Company possessing more than 50% of the total fair market value or the total voting power of the Company; or

(v) Any Person acquires, over a 12-month period, Beneficial Ownership of stock of the Company possessing 30% or more of the total voting power of the Company.

(vi) The foregoing notwithstanding, a transaction shall not constitute a Change in Control if (A) its sole purpose is to change the state of the Company's incorporation or to create a holding company that shall be owned in substantially the same proportions by the Persons who held the Company's securities immediately before such transaction; (B) it constitutes an initial public offering or a secondary public offering that results in any security of the Company being listed (or approved for listing) on any securities exchange or designated (or approved for designation) as a security on an interdealer quotation system; (C) it constitutes a change in Beneficial Ownership that results from a change in ownership of an existing stockholder; or (D) solely because 30% or more of the total voting power of the Company's then outstanding securities is acquired by (1) a trustee or other fiduciary holding securities under one or more employee benefit Plans of the Company or any Affiliate, or (2) any company that, immediately before such acquisition, is owned directly or indirectly by the stockholders of the Company in substantially the same proportion as their ownership of stock in the Company immediately before such acquisition.

Notwithstanding any provision of this Plan, with respect to any payment that constitutes "nonqualified deferred compensation" within the meaning of Section 409A, a Change in Control shall not constitute a settlement or distribution event with respect to such payment, or an event that otherwise changes the timing of settlement or distribution of such payment, unless the Change in Control also constitutes an event described in Section 409A(a)(2)(v) of the Code. For the avoidance of doubt, this paragraph shall have no bearing on whether a payment vests or is due pursuant to the terms of this Plan.

(j) "**COBRA**" means the group health plan continuation coverage provisions of the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended.

(k) "**Code**" means the Internal Revenue Code of 1986, as amended, and the regulations thereunder.

(l) “**Company**” means Diamondback Energy, Inc., a Delaware corporation, and shall include its successors and assigns.

(m) “**Continuation Period**” means the period that group health plan continuation coverage under COBRA is available to a Participant whose employment termination results in a loss of group health plan coverage. The Continuation Period commences on the date following the Termination Date when group health plan coverage ends and ends on the earlier of (i) the 18 month anniversary of the loss of coverage date or (ii) the date on which the Participant becomes eligible to receive group health benefits from another employer.

(n) “**Diamondback Parties**” means the Company, its direct and indirect subsidiaries and Affiliates (and each of them, individually, a “**Diamondback Party**”).

(o) “**Disability**” means a Participant’s inability to substantially perform the Participant’s duties to the Company or any Affiliate by reason of a medically determinable physical or mental impairment for a period of ninety (90) days (whether or not continuous) during any period of three hundred sixty-five (365) consecutive days by reason of physical or mental disability and the Participant has not returned to full-time performance of the Participant’s duties within 30 days after written notice of termination is given to the Participant by the Employer. The Administrator shall determine whether an individual has a Disability under procedures established by the Administrator. The Administrator may rely on any determination that a Participant is disabled for purposes of benefits under any long-term disability plan maintained by the Company or any Affiliate in which a Participant participates.

(p) “**Effective Date**” means April 6, 2025, the date this Plan was approved by the Compensation Committee of the Board.

(q) “**Eligible Senior Executive**” means an individual who has been designated as an Eligible Senior Executive by the Administrator, selected by the Administrator to participate in the Plan and who has entered into a Participation Agreement with the Company in substantially the form set forth on the attached Schedule C.

(r) “**Eligible Termination**” means (i) a termination of the Participant’s employment with the Employer (A) by the Employer without Cause, or (B) by reason of death or Disability, or (ii) a resignation by the Participant for Good Reason.

(s) “**Employer**” means the Company and each of its subsidiaries and Affiliates that adopts the Plan and is treated as an Employer in accordance with the provisions of Section 8.1. Diamondback E&P LLC, a Delaware limited liability company, shall be an Employer on the Effective Date, without need for separate action to adopt the Plan.

(t) “**ERISA**” means the Employee Retirement Income Security Act of 1974, as amended from time to time.

(u) **“Good Reason”** means, a Participant’s resignation in the event of any of the following events without such Participant’s written consent: (i) material reduction in the Participant’s base salary, bonus opportunity or severance benefits; (ii) relocation of the Participant’s principal office more than 25 miles from the current location; or (iii) material diminution in the Participant’s position, duties, reporting relationship or authority, it being understood that, following a Change in Control, a requirement that the Chief Executive Officer report directly to a person other than the board of directors of the Company (or, if the Company is not publicly traded, the publicly traded parent company of the Company) or that a Participant who was a direct report to the Chief Executive Officer immediately prior to the Change in Control report directly to a person other than the Chief Executive Officer of the Company (or, if the Company is not publicly traded, the publicly traded parent company of the Company); provided that, in any case is not cured within thirty (30) days after written notice thereof by the Participant to the Compensation Committee of the Board (which notice must be provided by the Participant to the Company within 90 days following the initial occurrence of such event) and an opportunity to cure within the notice period (the **“Cure Period”**). Resignation by the Participant following the Employer’s cure or before the expiration of the Cure Period shall constitute a voluntary resignation and not a termination or resignation for Good Reason and shall not entitle the Participant to any benefits under this Plan. Any termination on account of a Good Reason Resignation must occur within 120 days following the initial occurrence of such event.

(v) **“Incumbent Directors”** means individuals who, on the Effective Date, constitute the Board; provided that any individual becoming a member of the Board subsequent to the Effective Date whose election or nomination for election to the Board was approved by a vote of at least two-thirds of the Incumbent Directors then on the Board (either by a specific vote or by approval of the proxy statement of the Company in which such Person is named as a nominee for election to the Board without objection to such nomination) shall be an Incumbent Director. No individual initially elected or nominated as a member of the Board as a result of an actual or threatened election contest with respect to the Board or as a result of any other actual or threatened solicitation of proxies by or on behalf of any Person other than the Board shall be an Incumbent Director.

(w) **“Participant”** means a Person who has been designated by the Administrator as an Eligible Senior Executive who may be eligible for benefits under the Plan upon an Eligible Termination.

(x) **“Participation Agreement”** means an agreement between a Participant and the Company, in substantially the form set forth on the attached Schedule C, specifying the Participant’s acknowledgement and agreement to the terms of the Plan, including the provisions terminating and superseding the terms any employment agreement or offer letter, the Restrictive Covenant provisions, the forfeiture and clawback provisions and any other terms and conditions that are in addition to or different from those specified in the Plan document. Any Participation Agreement under this Plan is intended to constitute a Service Agreement as defined in and for purposes of the terms of any Award Agreements issued pursuant to the terms of the Diamondback Energy, Inc. 2021 Amended and Restated Equity Incentive Plan (as amended from time to time and any successor equity incentive compensation plan), the Rattler Midstream LP Long-Term Incentive Plan (as amended from time to time and any successor equity incentive compensation plan of Rattler Midstream LP), the Viper Energy Partners LP 2014 Equity

Incentive Plan (as amended from time to time and any successor equity incentive compensation plan of Viper Energy Partners LP) or such other equity incentive plan adopted or maintained by any Affiliate.

(y) “**Payment Date**” means the first regularly scheduled payroll date following the day that the Release becomes effective and irrevocable in accordance with its terms and in any event no later than March 15 of the calendar year following the calendar year in which the Termination Date occurs.

(z) “**Person**” or “**Persons**” means an individual, partnership, limited liability company, corporation, association, joint stock company, trust, joint venture, labor organization, unincorporated organization, governmental entity or political subdivision thereof, or any other entity, and includes a syndicate or group as such terms are used in Section 13(d)(3) or 14(d)(2) of the Securities Exchange Act of 1934, as amended.

(aa) “**Plan**” means the Diamondback Energy, Inc. Amended and Restated Senior Management Severance Plan, as set forth herein, together with any amendments and supplements hereto as shall be adopted from time to time.

(bb) “**Protection Period**” means the period commencing on the consummation of a Change in Control and ending on the second anniversary of such Change in Control.

(cc) “**Restricted Business**” means any of (i) the oil, gas and gas liquids exploration and production business, (ii) the ownership, operation, development or acquisition of midstream infrastructure assets, including oil, gas and gas liquids gathering and transportation services and water-related gathering, transportation, distribution and disposal services, or (iii) the ownership, acquisition or exploitation of oil and gas properties, in each case, in Texas, Oklahoma and New Mexico and each other area, location or field in which the Diamondback Parties conduct or are preparing to conduct business during the Participant’s employment with an Employer or any Affiliate.

(dd) “**Restricted Period**” means, the period of the Participant’s employment with the Employer and a period of one year following the termination of the Participant’s employment with the Employer for any reason or such applicable shorter period as may be specified pursuant to Section 3.2; provided, however, that in the event of an Eligible Termination that occurs during the Protection Period or a termination of employment due to the Participant’s death or Disability, the Restricted Period for purposes of Sections 3.1(a) and 3.1(c) shall end upon the date of the Participant’s termination of employment.

(ee) “**Section 409A**” means Section 409A of the Code and the Department of Treasury rules and regulations issued thereunder.

(ff) “**Service Agreement**” has the meaning set forth in the definition of “Participation Agreement.”

(gg) “**Specified Employee**” means a Person who is, as of the date of the Person’s termination of employment, a “specified employee” within the meaning of Section 409A, taking into account the elections made and procedures established by the Company.

(hh) “**Termination Date**” means the date that an Eligible Senior Executive’s employment with all Employers and Affiliates actually terminates pursuant to an Eligible Termination, as determined by the Administrator.

Section 9.2 Interpretation. Wherever appropriate herein, a word used in the singular shall be considered to include the plural and the plural to include the singular. The masculine gender, where appearing in this Plan, shall be deemed to include the feminine gender. For purposes of this Plan, the term “including” shall mean “including, without limitation” and the word “or” shall be understood to mean “and/or.”

Section 9.3 Headings. The headings of Articles and Sections herein are included solely for convenience and if there is any conflict between such headings and the text of this Plan, the text shall control.

Section 9.4 Survival. The provisions of this Plan that by their terms call for performance subsequent to the termination of either a Participant’s employment or this Plan shall survive such termination.

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To record the adoption of the Plan as set forth herein, effective as of the Effective Date, the Company has caused its duly authorized officer to execute the same this 6th day of April, 2025.

DIAMONDBACK ENERGY, INC.

By: /s/ Travis D. Stice

Name: Travis D. Stice

Title: Chief Executive Officer

Appendix A

Summary Plan Description Additional Information

ARTICLE 1 OTHER PLAN INFORMATION

Section 1.1 Employer and Plan Identification Numbers. The Employer Identification Number assigned to the Company (which is the “Plan Sponsor” as that term is used in ERISA) by the Internal Revenue Service is 45-4502447. The Plan Number assigned to the Plan by the Plan Sponsor pursuant to the instructions of the Internal Revenue Service is 503.

Section 1.2 Ending Date for Plan’s Fiscal Year. The date of the end of the fiscal year for the purpose of maintaining the Plan’s records is December 31.

Section 1.3 Agent for the Service of Legal Process. The agent for the service of legal process with respect to the Plan is:

Diamondback Energy, Inc.
500 West Texas
Suite 100
Midland, TX 79701
Attention: Executive Vice President, Chief Legal and Administrative Officer and Secretary

Section 1.4 Plan Sponsor and Administrator. The “Plan Sponsor” of the Plan is:

Diamondback Energy, Inc.
500 West Texas
Suite 100
Midland, TX 79701
Attention: Senior Vice President of Human Resources

and the “Plan Administrator” of the Plan is:

Diamondback Energy, Inc.
500 West Texas
Suite 100
Midland, TX 79701
Attention: Senior Vice President of Human Resources

The Plan Sponsor’s and Plan Administrator’s telephone number is (432) 221-7400. The Plan Administrator is the named fiduciary charged with the responsibility for administering the Plan.

ARTICLE 2 STATEMENT OF ERISA RIGHTS

Participants in this Plan (which is both a welfare benefit plan and a pension benefit plan sponsored by Diamondback Energy, Inc.) are entitled to certain rights and protections under ERISA. If you are designated as an Eligible Senior Executive by the Administrator, selected by the Administrator to participate in the Plan and have entered into a Participation Agreement with the Company, you are considered a Participant in the Plan and, under ERISA, you are entitled to:

Receive Information about Your Plan and Benefits

- (a) examine, without charge, at the Plan Administrator's office and at other specified locations, such as worksites, all documents governing the Plan and a copy of the latest annual report (Form 5500 Series) filed by the Plan with the U.S. Department of Labor and available at the Public Disclosure Room of the Employee Benefits Security Administration;
- (b) obtain, upon written request to the Plan Administrator, copies of documents governing the operation of the Plan and copies of the latest annual report (Form 5500 Series) and updated Summary Plan Description. The Administrator may make a reasonable charge for the copies; and
- (c) receive a summary of the Plan's annual financial report. The Plan Administrator is required by law to furnish each participant with a copy of this summary annual report.

Prudent Actions by Plan Fiduciaries

In addition to creating rights for Plan participants, ERISA imposes duties upon the people who are responsible for the operation of the employee benefit plan. The people who operate the Plan, called "fiduciaries" of the Plan, have a duty to do so prudently and in the interest of you and other Plan participants and beneficiaries. No one, including your employer, your union or any other Person, may fire you or otherwise discriminate against you in any way to prevent you from obtaining a Plan benefit or exercising your rights under ERISA.

Enforce Your Rights

If your claim for a Plan benefit is denied or ignored, in whole or in part, you have a right to know why this was done, to obtain copies of documents relating to the decision without charge, and to appeal any denial, all within certain time schedules.

Under ERISA, there are steps you can take to enforce the above rights. For instance, if you request a copy of Plan documents or the latest annual report from the Plan and do not receive them within 30 days, you may file suit in a Federal court. In such a case, the court may require the Plan Administrator to provide the materials and pay you up to \$110 a day until you receive the materials, unless the materials were not sent because of reasons beyond the control of the Administrator.

If you have a claim for benefits, which is denied or ignored, in whole or in part, you may file suit in a state or Federal court. In addition, if you disagree with the Plan's decision or lack thereof concerning the qualified status of a domestic relations order or a medical child support order, you may file suit in Federal court.

If it should happen that Plan fiduciaries misuse the Plan's money, or if you are discriminated against for asserting your rights, you may seek assistance from the U.S. Department of Labor, or you may file suit in a Federal court. The court shall decide who should pay court costs and legal fees. If you are successful, the court may order the Person you have sued to pay these costs and fees. If you lose, the court may order you to pay these costs and fees, for example, if it finds your claim is frivolous.

Assistance with Your Questions

If you have any questions about the Plan, you should contact the Plan Administrator. If you have any questions about this statement or about your rights under ERISA, or if you need assistance in obtaining documents from the Plan Administrator, you should contact the nearest office of the Employee Benefits Security Administration, U.S. Department of Labor, listed in your telephone directory or the Division of Technical Assistance and Inquiries, Employee Benefits Security Administration, U.S. Department of Labor, 200 Constitution Avenue N.W., Washington, D.C. 20210. You may also obtain certain publications about your rights and responsibilities under ERISA by calling the publications hotline of the Employee Benefits Security Administration.

SCHEDULE A

The number of months that the base salary shall continue to be paid upon an Eligible Termination outside of the Protection Period is determined based on the position of the Executive as follows:

Position	Number of Months
Chief Executive Officer	24
Executive Vice-Presidents	18
Senior Vice-Presidents	15
Vice-Presidents	12

SCHEDULE B

The Applicable Factor used to determine Severance Benefits related to a Change in Control is determined based on the position of the Executive as follows:

Position	Applicable Factor
Chief Executive Officer	3.00
Executive Vice-Presidents	2.50
Senior Vice-Presidents	2.25
Vice-Presidents	2.00

SCHEDULE C

**PARTICIPATION AGREEMENT
DIAMONDBACK ENERGY, INC.
AMENDED AND RESTATED SENIOR MANAGEMENT SEVERANCE PLAN**

This Participation Agreement (the “**Agreement**”) is made and entered into by and between _____ (the “**Participant**” or “**you**”) and Diamondback Energy, Inc., a Delaware corporation (the “**Company**”), effective as of [_____] (the “**Effective Date**”).

The Company maintains the Diamondback Energy, Inc. Amended and Restated Senior Management Severance Plan (such plan, as it may be further amended, amended and restated or otherwise modified, the “**Plan**”) to provide for specified severance benefits in connection with certain Eligible Terminations (as defined in the Plan). You have been selected by the Plan Administrator to be a Participant in the Plan. The Participant hereby acknowledges that Participant has read and understands the terms of the Plan and agrees to participate in the Plan. You also expressly acknowledge and agree that participation in the Plan replaces and supersedes any offer letter, employment agreement or similar agreement made by and between you and the Company or any of its Affiliates, and that any such agreement shall be terminated and you shall no longer be entitled to any benefits under such agreement upon execution of this Agreement and participation in the Plan.

Participant further acknowledges and agrees that Section 3 of the Plan contains certain Restrictive Covenants, including covenants prohibiting competition, solicitation and disparagement. By signing this Participation Agreement, Participant is subject to the prohibited activities and Restrictive Covenants in Section 3 of the Plan, and Participant acknowledges and agrees that the violation of the provisions of Section 3 of the Plan may result in a loss of benefits under the Plan.

IN WITNESS WHEREOF, each of the parties has executed this Agreement, in the case of the Company by its duly authorized officer, as of the day and year written below, effective as of the Effective Date written above.

DIAMONDBACK ENERGY, INC.

PARTICIPANT

By: _____

Travis D. Stice, Chief Executive Officer

Dated:[_____]

Dated:[_____]

SCHEDULE D

RELEASE AGREEMENT

[Circulated separately]

CERTIFICATION

I, Travis D. Stice, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Diamondback Energy, Inc.
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 and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rule 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 7, 2025

/s/ Travis D. Stice

Travis D. Stice

Chief Executive Officer

CERTIFICATION

I, Jere W. Thompson III, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Diamondback Energy, Inc.
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 and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rule 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 7, 2025

/s/ Jere W. Thompson III

Jere W. Thompson III
Chief Financial Officer

CERTIFICATION OF PERIOD REPORT

In connection with the Quarterly Report on Form 10-Q of Diamondback Energy, Inc. (the "Company"), as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, the undersigned, Travis D. Stice, Chief Executive Officer of Diamondback Energy, Inc., certify, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. Section 1350, that, to the best of my knowledge:

- (1) 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.

Date: May 7, 2025

/s/ Travis D. Stice

Travis D. Stice
Chief Executive Officer

CERTIFICATION OF PERIOD REPORT

In connection with the Quarterly Report on Form 10-Q of Diamondback Energy, Inc. (the "Company"), as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, the undersigned, Jere W. Thompson III, Chief Financial Officer of Diamondback Energy, Inc., certify, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. Section 1350, that, to the best of my knowledge:

- (1) 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.

Date: May 7, 2025

/s/ Jere W. Thompson III
Jere W. Thompson III
Chief Financial Officer