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 September 30, 2024

OR

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

Commission File Number 001-36505

Viper Energy, Inc.
(Exact Name of Registrant As Specified in Its Charter)

DE	**46-5001985**
(State or Other Jurisdiction of Incorporation or Organization)	**(I.R.S. Employer Identification Number)**
500 West Texas Ave. **Suite 100** **Midland, TX**	**79701**
(Address of principal executive offices)	**(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:

Title of each class	**Trading Symbol(s)**	**Name of each exchange on which registered**
Class A Common Stock $0.000001 par value	VNOM	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	☒	Accelerated Filer	☐
Non-Accelerated Filer	☐	Smaller Reporting Company	☐
		Emerging Growth Company	☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

As of November 1, 2024, 102,977,142 shares of Class A Common Stock and 85,431,453 shares of Class B Common Stock of the registrant were outstanding.

VIPER ENERGY, INC.

FORM 10-Q

FOR THE QUARTER ENDED SEPTEMBER 30, 2024

TABLE OF CONTENTS

	Page
Glossary of Oil and Natural Gas Terms	ii
Glossary of Certain Other Terms	iv
Cautionary Statement Regarding Forward-Looking Statements	v
PART I. FINANCIAL INFORMATION	
Item 1. Condensed Consolidated Financial Statements (Unaudited)	1
Condensed Consolidated Balance Sheets	1
Condensed Consolidated Statements of Operations	2
Condensed Consolidated Statements of Changes to Stockholders' Equity	3
Condensed Consolidated Statements of Cash Flows	5
Notes to the Condensed Consolidated Financial Statements	6
1. Organization and Basis of Presentation	6
2. Summary of Significant Accounting Policies	7
3. Revenue from Contracts with Customers	9
4. Acquisitions and Divestitures	9
5. Oil and Natural Gas Interests	11
6. Debt	12
7. Stockholders' Equity	12
8. Earnings Per Common Share	14
9. Income Taxes	15
10. Derivatives	16
11. Fair Value Measurements	17
12. Commitments and Contingencies	19
13. Subsequent Events	20
Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations	21
Item 3. Quantitative and Qualitative Disclosures about Market Risk	33
Item 4. Controls and Procedures	34
PART II. OTHER INFORMATION	
Item 1. Legal Proceedings	34
Item 1A. Risk Factors	34
Item 2. Unregistered Sales of Equity Securities and Use of Proceeds	35
Item 5. Other Information	35
Item 6. Exhibits	36
Signatures	38

GLOSSARY OF OIL AND NATURAL GAS TERMS

The following is a glossary of certain oil and natural gas terms that are used in this Quarterly Report on Form 10-Q (this "report"):

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.
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.
Crude oil	Liquid hydrocarbons retrieved from geological structures underground to be refined into fuel sources.
Development well	A well drilled within the proved area of a natural gas or oil reservoir to the depth of a stratigraphic horizon known to be productive.
Differential	An adjustment to the price of oil or natural gas from an established spot market price to reflect differences in the quality and/or location of oil or natural gas.
Fracturing	The process of creating and preserving a fracture or system of fractures in a reservoir rock typically by injecting a fluid under pressure through a wellbore and into the targeted formation.
Gross wells	The total wells, as the case may be, in which a working interest is owned.
Henry Hub	Natural gas gathering point that serves as a benchmark price for natural gas futures on the NYMEX.
Horizontal wells	Wells drilled directionally horizontal to allow for development of structures not reachable through traditional vertical drilling mechanisms.
MBbl	One thousand barrels of crude oil and other liquid hydrocarbons.
MBOE	One thousand barrels of crude oil equivalent, determined using a ratio of six Mcf of natural gas to one Bbl of crude oil, condensate or natural gas liquids.
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 royalty acres	Net mineral acres multiplied by the average lease royalty interest and other burdens.
Oil and natural gas properties	Tracts of land consisting of properties to be developed for oil and natural gas resource extraction.
Operator	The individual or company responsible for the exploration and/or production of an oil or natural gas well or lease.
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 are not 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).
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.
Spud	Commencement of actual drilling operations.
Waha Hub	Natural gas gathering point that serves as a benchmark price for natural gas at western Texas and New Mexico.
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:

Adjusted EBITDA	Consolidated Adjusted EBITDA, a non-GAAP measure, generally equals net income (loss) attributable to Viper Energy, Inc. plus net income (loss) attributable to non-controlling interest before interest expense, net, non-cash share-based compensation expense, depletion expense, non-cash (gain) loss on derivative instruments, other non-cash operating expenses, other non-recurring expenses and provision for (benefit from) income taxes, which measure is used by management to more effectively evaluate the operating performance and determine dividend amounts for purposes of the dividend policy.
ASU	Accounting Standards Update.
Class A Common Stock	Class A Common Stock, $0.000001 par value per share of Viper Energy, Inc.
Class B Common Stock	Class B Common Stock, $0.000001 par value per share of Viper Energy, Inc.
Common Stock	Collectively, Class A Common Stock and Class B Common Stock.
Diamondback	Diamondback Energy, Inc., a Delaware corporation.
Exchange Act	The Securities Exchange Act of 1934, as amended.
FASB	Financial Accounting Standards Board.
GAAP	Accounting principles generally accepted in the United States.
General Partner	Viper Energy Partners GP LLC, a Delaware limited liability company, and the General Partner of the Partnership.
LTIP	Viper Energy, Inc. Amended and Restated 2014 Long Term Incentive Plan, as amended and restated by Viper Energy, Inc. 2024 Amended and Restated Long Term Incentive Plan, and as may be further amended or restated from time to time.
Nasdaq	The Nasdaq Global Select Market.
Notes	The outstanding senior notes of Viper Energy, Inc. issued under indentures where Viper Energy Partners LLC is the sole guarantor, consisting of the 5.375% Senior Notes due 2027 and the 7.375% Senior Notes due 2031.
OPEC	Organization of the Petroleum Exporting Countries.
Operating Company	Viper Energy Partners LLC, a Delaware limited liability company and a consolidated subsidiary of Viper Energy, Inc.
Partnership	Viper Energy Partners LP, the predecessor of the Company, which converted into the Company in the Conversion.
SEC	United States Securities and Exchange Commission.
Securities Act	The Securities Act of 1933, as amended.
SOFR	The secured overnight financing rate.

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; estimates and projections of operating income, losses, costs and expenses, returns, cash flow, and financial position; production levels on properties in which we have mineral and royalty interests, developmental activity by other operators; reserve estimates and our ability to replace or increase reserves; anticipated benefits or other effects of strategic transactions (including the recently completed TWR Acquisition discussed in Note 13—Subsequent Events and other acquisitions or divestitures); and plans and objectives of management (including Diamondback's plans for developing our acreage and our cash dividend policy and repurchases of our Class A Common Stock and/or senior notes) 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 us are intended to identify forward-looking statements, although not all forward-looking statements contain such identifying words. In particular, the factors discussed in this report and detailed under Part II. Item 1A. Risk Factors, and our Annual Report on Form 10-K for the year ended December 31, 2023, 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 the Operating Company.

Factors that could cause the 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, inflation rates, instability in the financial sector;
- regional supply and demand factors, including delays, curtailment delays or interruptions of production on our mineral and royalty acreage, or governmental orders, rules or regulations that impose production limits on such acreage;
- 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 by our operators 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;
- conditions in the capital, financial and credit markets, including the availability and pricing of capital for drilling and development by our operators and environmental and social responsibility projects undertaken by Diamondback and our other operators;
- changes in availability or cost of rigs, equipment, raw materials, supplies and oilfield services impacting our operators;
- changes in safety, health, environmental, tax, and other regulations or requirements impacting us or our operators (including those addressing air emissions, water management, or the impact of global climate change);
- security threats, including cybersecurity threats and disruptions to our business from breaches of Diamondback's information technology systems, or from breaches of information technology systems of our operators or third parties with whom we transact business;

- lack of, or disruption in, access to adequate and reliable transportation, processing, storage and other facilities impacting our operators;
- 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 the credit facility and hedging contracts of our operating subsidiary;
- changes in our credit rating; and
- other risks and factors disclosed 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, 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)

Viper Energy, Inc.
Condensed Consolidated Balance Sheets
(Unaudited)

	September 30, 2024	December 31, 2023
	(In thousands, except share amounts)	
Assets		
Current assets:		
Cash and cash equivalents	$ 168,649	$ 25,869
Royalty income receivable (net of allowance for credit losses)	108,857	108,681
Royalty income receivable—related party	35,997	3,329
Income tax receivable	—	813
Derivative instruments	2,795	358
Prepaid expenses and other current assets	3,882	4,467
Total current assets	320,180	143,517
Property:		
Oil and natural gas interests, full cost method of accounting ($1,622,601 and $1,769,341 excluded from depletion at September 30, 2024 and December 31, 2023, respectively)	4,771,268	4,628,983
Land	5,688	5,688
Accumulated depletion and impairment	(1,016,173)	(866,352)
Property, net	3,760,783	3,768,319
Funds held in escrow	43,050	—
Derivative instruments	2,727	92
Deferred income taxes (net of allowances)	74,617	56,656
Other assets	4,653	5,509
Total assets	$ 4,206,010	$ 3,974,093
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable	$ 26	$ 19
Accounts payable—related party	—	1,330
Accrued liabilities	41,465	27,021
Derivative instruments	901	2,961
Income taxes payable	1,816	1,925
Total current liabilities	44,208	33,256
Long-term debt, net	821,505	1,083,082
Derivative instruments	—	201
Other long-term liabilities	4,789	—
Total liabilities	870,502	1,116,539
Commitments and contingencies (Note 12)		
Stockholders' equity:		
Class A Common Stock, $0.000001 par value: 1,000,000,000 shares authorized; 102,947,008 shares issued and outstanding as of September 30, 2024 and 86,144,273 shares issued and outstanding as of December 31, 2023	—	—
Class B Common Stock, $0.000001 par value: 1,000,000,000 shares authorized; 85,431,453 shares issued and outstanding as of September 30, 2024 and 90,709,946 shares issued and outstanding as of December 31, 2023	—	—
Additional paid-in capital	1,429,649	1,031,078
Retained earnings (accumulated deficit)	(28,691)	(16,786)
Total Viper Energy, Inc. stockholders' equity	1,400,958	1,014,292
Non-controlling interest	1,934,550	1,843,262
Total equity	3,335,508	2,857,554
Total liabilities and stockholders' equity	$ 4,206,010	$ 3,974,093

See accompanying notes to condensed consolidated financial statements.

Viper Energy, Inc.
Condensed Consolidated Statements of Operations
(Unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
	(In thousands, except per share amounts)			
Operating income:				
Oil income	$ 186,750	$ 168,008	$ 558,203	$ 443,927
Natural gas income	823	8,893	8,763	22,974
Natural gas liquids income	20,585	18,713	61,745	47,995
Royalty income	208,158	195,614	628,711	514,896
Lease bonus income—related party	107	97,237	227	105,585
Lease bonus income	1,143	196	2,289	1,730
Other operating income	180	193	461	774
Total operating income	209,588	293,240	631,688	622,985
Costs and expenses:				
Production and ad valorem taxes	15,113	12,286	44,720	37,794
Depletion	54,528	36,280	149,821	101,331
General and administrative expenses—related party	2,569	924	7,391	2,772
General and administrative expenses	2,046	956	6,712	3,880
Other operating (income) expense	(236)	—	(3)	—
Total costs and expenses	74,020	50,446	208,641	145,777
Income (loss) from operations	135,568	242,794	423,047	477,208
Other income (expense):				
Interest expense, net	(16,739)	(10,970)	(54,736)	(31,636)
Gain (loss) on derivative instruments, net	7,410	(2,988)	5,264	(30,685)
Other income, net	—	256	—	258
Total other expense, net	(9,329)	(13,702)	(49,472)	(62,063)
Income (loss) before income taxes	126,239	229,092	373,575	415,145
Provision for (benefit from) income taxes	17,194	21,879	42,729	39,735
Net income (loss)	109,045	207,213	330,846	375,410
Net income (loss) attributable to non-controlling interest	60,128	128,614	181,668	232,294
Net income (loss) attributable to Viper Energy, Inc.	$ 48,917	$ 78,599	$ 149,178	$ 143,116
Net income (loss) attributable to common shares:				
Basic	$ 0.52	$ 1.11	$ 1.64	$ 1.99
Diluted	$ 0.52	$ 1.11	$ 1.64	$ 1.99
Weighted average number of common shares outstanding:				
Basic	93,695	70,925	90,895	71,803
Diluted	93,747	70,925	90,989	71,803

See accompanying notes to condensed consolidated financial statements.

Viper Energy, Inc.
Condensed Consolidated Statements of Changes to Stockholders' Equity
(Unaudited)

	Common Stock[1]					
	Class A Shares	Class B Shares	Additional Paid-in Capital	Retained Earnings (Accumulated Deficit)	Non-Controlling Interest	Total
	(In thousands)					
Balance at December 31, 2023	86,144	90,710	$ 1,031,078	$ (16,786)	$ 1,843,262	$ 2,857,554
Common shares issued to related party	5,279	(5,279)	—	—	—	—
Equity-based compensation	—	—	485	—	—	485
Issuance of shares upon vesting of equity awards	1	—	—	—	—	—
Distribution equivalent rights payments	—	—	—	(56)	—	(56)
Dividends to stockholders	—	—	—	(43,791)	—	(43,791)
Dividends to Diamondback	—	—	20	(4,490)	(62,590)	(67,060)
Change in ownership of consolidated subsidiaries, net	—	—	69,753	—	(52,298)	17,455
Cash paid for tax withholding on vested equity awards	—	—	(28)	—	—	(28)
Net income (loss)	—	—	—	43,360	56,215	99,575
Balance at March 31, 2024	91,424	85,431	1,101,308	(21,763)	1,784,589	2,864,134
Equity-based compensation	—	—	830	—	—	830
Distribution equivalent rights payments	—	—	—	(116)	—	(116)
Dividends to stockholders	—	—	—	(53,941)	—	(53,941)
Dividends to Diamondback	—	—	—	(20)	(59,803)	(59,823)
Change in ownership of consolidated subsidiaries, net	—	—	6,601	—	(6,601)	—
Net income (loss)	—	—	—	56,901	65,325	122,226
Balance at June 30, 2024	91,424	85,431	1,108,739	(18,939)	1,783,510	2,873,310
Net proceeds from the issuance of common stock	11,523	—	475,904	—	—	475,904
Equity-based compensation	—	—	845	—	—	845
Distribution equivalent rights payments	—	—	—	(123)	—	(123)
Dividends to stockholders	—	—	—	(58,526)	—	(58,526)
Dividends to Diamondback	—	—	—	(20)	(64,927)	(64,947)
Change in ownership of consolidated subsidiaries, net	—	—	(155,839)	—	155,839	—
Net income (loss)	—	—	—	48,917	60,128	109,045
Balance at September 30, 2024	102,947	85,431	$ 1,429,649	$ (28,691)	$ 1,934,550	$ 3,335,508

(1) The par values of the outstanding shares of Class A Common Stock and Class B Common Stock each round to zero during the periods presented.

See accompanying notes to condensed consolidated financial statements.

Viper Energy, Inc.
Condensed Consolidated Statements of Changes to Stockholders' Equity - (Continued)
(Unaudited)

	Limited Partners				General Partner	Non-Controlling Interest	
	Common Units	Amount	Class B Units	Amount	Amount	Amount	Total
			(In thousands)				
Balance at December 31, 2022	73,230	$ 689,178	90,710	$ 832	$ 649	$ 1,630,866	$ 2,321,525
Unit-based compensation	—	370	—	—	—	—	370
Issuance of shares upon vesting of equity awards	4	—	—	—	—	—	—
Distribution equivalent rights payments	—	(72)	—	—	—	—	(72)
Distributions to public	—	(35,253)	—	—	—	—	(35,253)
Distributions to Diamondback	—	(358)	—	(25)	—	(48,983)	(49,366)
Distributions to General Partner	—	—	—	—	(20)	—	(20)
Change in ownership of consolidated subsidiaries, net	—	11,449	—	—	—	(11,449)	—
Repurchased units as part of unit buyback	(1,115)	(33,022)	—	—	—	—	(33,022)
Net income (loss)	—	33,967	—	—	—	54,299	88,266
Balance at March 31, 2023	72,119	666,259	90,710	807	629	1,624,733	2,292,428
Unit-based compensation	—	259	—	—	—	—	259
Distribution equivalent rights payments	—	(43)	—	—	—	—	(43)
Distributions to public	—	(23,513)	—	—	—	—	(23,513)
Distributions to Diamondback	—	(241)	—	(25)	—	(38,097)	(38,363)
Distributions to General Partner	—	—	—	—	(20)	—	(20)
Change in ownership of consolidated subsidiaries, net	—	16,749	—	—	—	(16,749)	—
Repurchased units as part of unit buyback	(912)	(24,509)	—	—	—	—	(24,509)
Net income (loss)	—	30,550	—	—	—	49,381	79,931
Balance at June 30, 2023	71,207	665,511	90,710	782	609	1,619,268	2,286,170
Unit-based compensation	—	362	—	—	—	—	362
Issuance of shares upon vesting of equity awards	20	—	—	—	—	—	—
Distribution equivalent rights payments	—	(48)	—	—	—	—	(48)
Distributions to public	—	(25,252)	—	—	—	—	(25,252)
Distributions to Diamondback	—	(263)	—	(25)	—	(39,912)	(40,200)
Distributions to General Partner	—	—	—	—	(20)	—	(20)
Change in ownership of consolidated subsidiaries, net	—	3,469	—	—	—	(3,469)	—
Repurchased units as part of unit buyback	(365)	(9,650)	—	—	—	—	(9,650)
Net income (loss)	—	78,599	—	—	—	128,614	207,213
Balance at September 30, 2023	70,862	$ 712,728	90,710	$ 757	$ 589	$ 1,704,501	$ 2,418,575

See accompanying notes to condensed consolidated financial statements.

Viper Energy, Inc.
Condensed Consolidated Statements of Cash Flows
(Unaudited)

	Nine Months Ended September 30,	
	2024	2023
	(In thousands)	
Cash flows from operating activities:		
Net income (loss)	$ 330,846	$ 375,410
Adjustments to reconcile net income (loss) to net cash provided by operating activities:		
Provision for (benefit from) deferred income taxes	(505)	887
Depletion	149,821	101,331
(Gain) loss on derivative instruments, net	(5,264)	30,685
Net cash receipts (payments) on derivatives	(2,038)	(10,019)
Other	4,470	2,045
Changes in operating assets and liabilities:		
Royalty income receivable	2,886	(22,147)
Royalty income receivable—related party	(32,667)	(1,171)
Accounts payable and accrued liabilities	14,192	4,156
Accounts payable—related party	(1,330)	(306)
Income taxes payable	(109)	12,411
Other	1,398	(885)
Net cash provided by (used in) operating activities	461,700	492,397
Cash flows from investing activities:		
Acquisitions of oil and natural gas interests—related party	—	(75,073)
Acquisitions of oil and natural gas interests	(271,052)	(98,510)
Proceeds from sale of oil and natural gas interests	87,674	(3,166)
Net cash provided by (used in) investing activities	(183,378)	(176,749)
Cash flows from financing activities:		
Proceeds from borrowings under credit facility	470,000	260,000
Repayment on credit facility	(733,000)	(162,000)
Net proceeds from public offering	475,904	—
Repurchased shares/units under buyback program	—	(67,181)
Dividends/distributions to stockholders	(156,553)	(84,181)
Dividends/distributions to Diamondback	(191,830)	(127,929)
Other	(63)	(5,722)
Net cash provided by (used in) financing activities	(135,542)	(187,013)
Net increase (decrease) in cash and cash equivalents	142,780	128,635
Cash, cash equivalents and restricted cash at beginning of period	25,869	18,179
Cash, cash equivalents and restricted cash at end of period	$ 168,649	$ 146,814
Supplemental disclosure of cash flow information:		
Interest paid	$ (43,121)	$ (24,766)
Cash (paid) received for income taxes	$ (42,615)	$ (25,700)

See accompanying notes to condensed consolidated financial statements.

Viper Energy, Inc.
Notes to the Condensed Consolidated Financial Statements
(Unaudited)

1. ORGANIZATION AND BASIS OF PRESENTATION

Organization

Effective November 13, 2023 (the "Effective Time"), Viper Energy Partners LP (the "Partnership") converted from a publicly traded Delaware limited partnership to a Delaware corporation pursuant to a plan of conversion (the "Conversion") and changed names from Viper Energy Partners LP to Viper Energy, Inc. This report includes the results for the Partnership prior to the Conversion and Viper Energy, Inc. (the "Company") following the Conversion. References to the "Company" refer to (i) Viper Energy, Inc. and its consolidated subsidiaries following the Conversion, and (ii) the Partnership and its consolidated subsidiaries prior to the Conversion. References to shares or per share amounts prior to the Conversion refer to units or per unit amounts. Unless otherwise noted, all references to shares or per share amounts following the Conversion refer to shares or per share amounts of the Company's Common Stock. References to dividends prior to the Conversion refer to distributions. There were no tax impacts resulting from the Conversion as the Partnership was treated as a corporation for tax purposes.

The Company is a publicly traded Delaware corporation focused on owning and acquiring mineral interests and royalty interests in oil and natural gas properties primarily in the Permian Basin. As of September 30, 2024, Viper Energy, Inc. owned approximately 55% of the units representing limited liability company interests in its operating subsidiary Viper Energy Partners LLC (the "Operating Company") and was the managing member of the Operating Company.

Prior to March 8, 2024, the Company was a "controlled company" under the rules of the Nasdaq Stock Market LLC (the "Nasdaq Rules"). On March 8, 2024, the Company's parent, Diamondback, completed an underwritten public offering in which it sold approximately 13.2 million shares of the Company's Class A Common Stock (the "Diamondback Offering"). Following the Diamondback Offering, Diamondback owned no shares of the Company's Class A Common Stock and owned 85,431,453 shares of the Company's Class B Common Stock, reducing its beneficial ownership to less than 50% of the Company's total Common Stock outstanding. As such, the Company ceased to be a "controlled company" under the Nasdaq Rules. Prior to the Diamondback Offering, the Company's board of directors had a majority of independent directors and a standing audit committee comprised of all independent directors but had elected to take advantage of certain exemptions from corporate governance requirements applicable to controlled companies under the Nasdaq Rules and, until March 8, 2024, did not have a compensation committee or a committee of independent directors that selects director nominees.

Effective as of March 8, 2024, the Company's board of directors formed (i) the compensation committee for purposes of making certain executive and other compensation decisions, and (ii) the nominating and corporate governance committee for purposes of making certain nominating and corporate governance decisions, with each such committee's rights and obligations being subject to the terms and conditions of (x) the Company's certificate of incorporation, (y) such committee's charter as adopted by the board, and (z) the services and secondment agreement, dated as of November 2, 2023, pursuant to which Diamondback provides personnel and general and administrative services to us, including the services of the executive officers and other employees, substantially in the same manner as those provided to the Company by the former General Partner prior to the Conversion (the "Services and Secondment Agreement").

As of September 30, 2024, Diamondback beneficially owned approximately 45% of the Company's total Common Stock outstanding.

Basis of Presentation

The accompanying condensed consolidated financial statements and related notes thereto were prepared in accordance with GAAP. All material intercompany balances and transactions have been eliminated upon consolidation. The Company reports its operations in one reportable segment.

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 report

should be read in conjunction with the Company's most recent Annual Report on Form 10–K for the fiscal year ended December 31, 2023, 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 no effect on the previously reported total assets, total liabilities, stockholders' equity, results of operations or cash flows.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Use of Estimates

Certain amounts included in or affecting the Company's 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 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 assets and liabilities as of the date of the financial statements.

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, higher interest rates, global supply chain disruptions and recent measures to combat persistent inflation and instability in the financial sector have contributed to recent pricing and economic volatility. The financial results of companies in the oil and natural gas industry have been and may continue to be impacted materially as a result of 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 each particular circumstance. 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 interests, estimates of third party operated royalty income related to expected sales volumes and prices, the recoverability of costs of unevaluated properties, the fair value determination of assets and liabilities, including those acquired by the Company, fair value estimates of commodity derivatives and estimates of income taxes, including deferred tax valuation allowances.

Related Party Transactions

Royalty Income Receivable

As of September 30, 2024 and December 31, 2023, Diamondback, either directly or through its consolidated subsidiaries, owed the Company $36.0 million and $3.3 million, respectively, for royalty income received from third parties for the Company's production, which had not yet been remitted to the Company.

Lease Bonus Income

During the three and nine months ended September 30, 2024 and 2023, Diamondback paid the Company $ 0.1 million, $0.2 million, $97.2 million and $105.6 million, respectively, of lease bonus income primarily related to new leases in the Midland Basin.

Other Related Party Transactions

See Note 4—Acquisitions and Divestitures for significant related party acquisitions of oil and natural gas interests.

See Note 7—Stockholder's Equity for further details regarding equity transactions with related parties.

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

All other significant related party transactions with Diamondback or its affiliates have been stated on the face of the condensed consolidated financial statements.

Accrued Liabilities

Accrued liabilities consist of the following as of the dates indicated:

	September 30, 2024	December 31, 2023
	(In thousands)	
Interest payable	$ 21,939	$ 11,036
Ad valorem taxes payable	14,273	13,299
Derivatives instruments payable	790	1,279
Other	4,463	1,407
Total accrued liabilities	$ 41,465	$ 27,021

Recent Accounting Pronouncements

Recently Adopted Pronouncements

There are no recently adopted pronouncements.

Accounting Pronouncements Not Yet Adopted

In November 2023, the FASB issued ASU 2023-07, “Segment Reporting (Topic 280) – Improvements to Reportable Segment Disclosures,” which updates reportable segment disclosure requirements primarily through enhanced disclosures about significant segment expenses and information used to assess segment performance. The amendments are effective for annual periods beginning after December 15, 2023, and for interim periods within fiscal years beginning after December 15, 2024. Early adoption is permitted. The amendments should be applied retrospectively to all prior periods presented in the financial statements. 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 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 discussed above were assessed and determined to be either not applicable, previously disclosed, or not material upon adoption.

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

3. REVENUE FROM CONTRACTS WITH CUSTOMERS

Royalty income represents the right to receive revenues from oil, natural gas and natural gas liquids sales obtained from third party purchasers by the operator of the wells in which the Company owns a royalty interest. Royalty income is recognized at the point control of the product is transferred to the purchaser at the wellhead or at the gas processing facility based on the Company's percentage ownership share of the revenue, net of any deductions for gathering and transportation. Virtually all of the pricing provisions in the Company's contracts are tied to a market index.

The following table disaggregates the Company's revenue from oil, natural gas and natural gas liquids by revenue generated from production on properties operated by Diamondback and revenue generated from production on properties operated by third parties:

	Three Months Ended September 30,					
	2024			2023		
	Revenue Generated from Diamondback Operated Properties	Revenue Generated from Third Party Operated Properties	Total	Revenue Generated from Diamondback Operated Properties	Revenue Generated from Third Party Operated Properties	Total
	(In thousands)					
Oil income	$ 99,192	$ 87,558	$ 186,750	$ 110,934	$ 57,074	$ 168,008
Natural gas income	1,535	(712)	823	5,243	3,650	8,893
Natural gas liquids income	12,186	8,399	20,585	11,815	6,898	18,713
Total royalty income	$ 112,913	$ 95,245	$ 208,158	$ 127,992	$ 67,622	$ 195,614

	Nine Months Ended September 30,					
	2024			2023		
	Revenue Generated from Diamondback Operated Properties	Revenue Generated from Third Party Operated Properties	Total	Revenue Generated from Diamondback Operated Properties	Revenue Generated from Third Party Operated Properties	Total
	(In thousands)					
Oil income	$ 293,687	$ 264,516	$ 558,203	$ 275,466	$ 168,461	$ 443,927
Natural gas income	6,103	2,660	8,763	11,903	11,071	22,974
Natural gas liquids income	34,463	27,282	61,745	30,648	17,347	47,995
Total royalty income	$ 334,253	$ 294,458	$ 628,711	$ 318,017	$ 196,879	$ 514,896

4. ACQUISITIONS AND DIVESTITURES

2024 Activity

Acquisitions

Q Acquisition

On September 3, 2024 (the "Q Closing Date"), the Company and the Operating Company acquired all of the issued and outstanding equity interests in Tumbleweed-Q Royalties, LLC (the "Q Acquisition"), pursuant to a definitive purchase and sale agreement for consideration consisting of (i) approximately $113.6 million in cash, subject to transaction costs and customary post-closing adjustments, and (ii) contingent cash consideration of up to $5.4 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"). The contingent cash consideration payment will be (i) $2.2 million if the WTI 2025 Average is between $ 60.00 and $65.00, (ii) $3.2 million if the WTI 2025 Average is between $ 65.00 and $75.00, or (iii) $5.4 million if the WTI 2025 Average is greater than $ 75.00. The Company recorded the contingent cash consideration at its fair value of $2.9 million on the Q

Closing Date (the "Q Contingent Liability"). The mineral and royalty interests acquired in the Q Acquisition represent approximately 406 net royalty acres located primarily in the Permian Basin. The Company funded the cash consideration, and intends to fund the contingent cash consideration, for the Q Acquisition through a combination of cash on hand and borrowings under the Operating Company's revolving credit facility.

M Acquisition

On September 3, 2024 (the "M Closing Date"), the Company and the Operating Company acquired all of the issued and outstanding equity interests in MC TWR Royalties, LP and MC TWR Intermediate, LLC (the "M Acquisition"), pursuant to a definitive purchase and sale agreement for consideration consisting of (i) approximately $75.8 million in cash, subject to transaction costs and customary post-closing adjustments, and (ii) contingent cash consideration of up to $3.6 million, payable in January of 2026, based on the WTI 2025 Average. The contingent cash consideration payment will be (i) $1.4 million if the WTI 2025 Average is between $ 60.00 and $65.00, (ii) $2.2 million if the WTI 2025 Average is between $ 65.00 and $75.00, or (iii) $3.6 million if the WTI 2025 Average is greater than $ 75.00. The Company recorded the contingent cash consideration at its fair value of $ 1.9 million on the M Closing Date (the "M Contingent Liability"). The mineral and royalty interests acquired in the M Acquisition represent approximately 267 net royalty acres located primarily in the Permian Basin. The Company funded the cash consideration, and intends to fund the contingent cash consideration, for the M Acquisition through a combination of cash on hand and borrowings under the Operating Company's revolving credit facility.

See Note 11—Fair Value Measurements for further discussion of the fair value of the Q Contingent Liability and the M Contingent Liability, (collectively, the "2026 WTI Contingent Liability").

Other Acquisitions

During the nine months ended September 30, 2024, the Company acquired, in individually insignificant transactions from unrelated third-party sellers, mineral and royalty interests representing 256 net royalty acres in the Permian Basin for an aggregate purchase price of approximately $ 52.0 million, subject to customary post-closing adjustments.

Divestitures

In the second quarter of 2024, the Company divested all of its non-Permian assets for a purchase price of approximately $ 87.2 million, including transaction costs and customary post-closing adjustments. The divested properties consisted of approximately 2,713 net royalty acres with current production of approximately 450 BO/d. The Company recorded the proceeds as a reduction of its full cost pool with no gain or loss recognized on the sale.

2023 Activity

Acquisitions

GRP Acquisition

On November 1, 2023, the Company and the Operating Company acquired certain mineral and royalty interests from Royalty Asset Holdings, LP, Royalty Asset Holdings II, LP and Saxum Asset Holdings, LP, affiliates of Warwick Capital Partners and GRP Energy Capital (collectively, "GRP,") pursuant to a definitive purchase and sale agreement for approximately 9.02 million common units and $747.6 million in cash, including transaction costs and customary post-closing adjustments (the "GRP Acquisition"). The mineral and royalty interests acquired in the GRP Acquisition represent approximately 4,600 net royalty acres in the Permian Basin, plus approximately 2,700 additional net royalty acres in other major basins. The cash consideration for the GRP Acquisition was funded through a combination of cash on hand and held in escrow, borrowings under the Operating Company's revolving credit facility, proceeds from the issuance of the 7.375% Senior unsecured notes due 2031 and proceeds from the $ 200.0 million common unit issuance to Diamondback, as discussed further in Note 7—Stockholders' Equity.

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

Drop Down Transaction

On March 8, 2023, the Company acquired certain mineral and royalty interests from subsidiaries of Diamondback for approximately $ 74.5 million in cash, including customary closing adjustments for net title benefits (the ‘‘Drop Down’’). The mineral and royalty interests acquired in the Drop Down represent approximately 660 net royalty acres in Ward County in the Southern Delaware Basin, 100% of which are operated by Diamondback, and have an average net royalty interest of approximately 7.2% and production of approximately 300 BO/d. The Company funded the Drop Down through a combination of cash on hand and borrowings under the Operating Company’s revolving credit facility. The Drop Down was accounted for as a transaction between entities under common control with the properties acquired recorded at Diamondback’s historical carrying value in the Company’s condensed consolidated balance sheet. The historical carrying value of the properties approximated the Drop Down purchase price.

Other Acquisitions

Additionally, during the year ended December 31, 2023, the Company acquired, in individually insignificant transactions from unrelated third-party sellers, mineral and royalty interests representing 286 net royalty acres in the Permian Basin for an aggregate purchase price of approximately $70.4 million, including customary closing adjustments. The Company funded these acquisitions with cash on hand and borrowings under the Operating Company’s revolving credit facility.

5. OIL AND NATURAL GAS INTERESTS

Oil and natural gas interests include the following for the periods presented:

	September 30, 2024	December 31, 2023
	(In thousands)	
Oil and natural gas interests:		
Subject to depletion	$ 3,148,667	$ 2,859,642
Not subject to depletion	1,622,601	1,769,341
Gross oil and natural gas interests	4,771,268	4,628,983
Accumulated depletion and impairment	(1,016,173)	(866,352)
Oil and natural gas interests, net	3,755,095	3,762,631
Land	5,688	5,688
Property, net of accumulated depletion and impairment	$ 3,760,783	$ 3,768,319

As of September 30, 2024 and December 31, 2023, the Company had mineral and royalty interests representing approximately 32,567 and 34,217 net royalty acres, respectively.

No impairment expense was recorded on the Company’s oil and natural gas interests for the three and nine months ended September 30, 2024 and 2023 based on the results of the respective quarterly ceiling tests. In addition to commodity prices, the Company’s production rates, levels of proved reserves, transfers of unevaluated properties and other factors will determine its actual ceiling test limitations and impairment analysis in future periods. If the trailing 12-month commodity prices decline as compared to the commodity prices used in prior quarters, the Company could have material write-downs in subsequent quarters.

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

6. DEBT

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

	September 30, 2024	December 31, 2023
	(In thousands)	
5.375% Senior unsecured notes due 2027	$ 430,350	$ 430,350
7.375% Senior unsecured notes due 2031	400,000	400,000
Revolving credit facility	—	263,000
Unamortized debt issuance costs	(6,098)	(6,903)
Unamortized discount	(2,747)	(3,365)
Total long-term debt	$ 821,505	$ 1,083,082

The Operating Company's Revolving Credit Facility

The Operating Company's credit facility, as amended to date, provides for a revolving credit facility in the maximum credit amount of $ 2.0 billion and a borrowing base of $1.3 billion. The borrowing base is scheduled to be redetermined semi-annually in May and November. As of September 30, 2024, the Operating Company had elected a commitment amount of $850.0 million, with no outstanding borrowings and $ 850.0 million available for future borrowings. During the three and nine months ended September 30, 2024 and 2023, the weighted average interest rates on the Operating Company's revolving credit facility were 7.51%, 7.52%, 7.58% and 7.37%, respectively. The revolving credit facility will mature on September 22, 2028.

As of September 30, 2024, the Operating Company was in compliance with the financial maintenance covenants under its credit facility.

7. STOCKHOLDERS' EQUITY

At September 30, 2024, the Company had a total of 102,947,008 shares of Class A Common Stock issued and outstanding and 85,431,453 shares of Class B Common Stock issued and outstanding. All of the shares of Class B Common Stock were beneficially owned by Diamondback, representing approximately 45% of the Company's total shares outstanding. Diamondback also beneficially owned 85,431,453 Operating Company units, representing a 45% non-controlling ownership interest in the Operating Company, and the Company owned the remaining 102,947,008 Operating Company units. The Operating Company units and the Company's Class B Common Stock beneficially owned by Diamondback are exchangeable from time to time for the Company's Class A Common Stock (that is, one Operating Company unit and one share of the Company's Class B Common Stock, together, are exchangeable for one share of the Company's Class A Common Stock).

2024 Equity Offering

On September 13, 2024, the Company completed an underwritten public offering of approximately 11.50 million shares of its Class A Common Stock, which included 1.50 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 of approximately $475.9 million, after the underwriters' discount and transaction costs (the "2024 Equity Offering"). The net proceeds were used to fund a portion of the cash consideration for the TWR Acquisition as defined below in Note 13—Subsequent Events. Pending closing of the TWR Acquisition, the Company temporarily repaid all of the amounts outstanding under the Operating Company's revolving credit facility with a portion of the net proceeds from the 2024 Equity Offering.

2023 Viper Issuance of Common Units to Diamondback

In October 2023, the Company issued approximately 7.22 million of its common units to Diamondback at a price of $ 27.72 per unit for total net proceeds of approximately $200.0 million. The net proceeds were used to fund a portion of the cash consideration for the GRP Acquisition.

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

Common Stock Repurchase Program

The Company's board of directors has authorized a $750.0 million common stock repurchase program, with respect to the repurchase of the Company's Class A Common Stock, excluding excise tax, over an indefinite period of time. The Company has and intends to continue to purchase shares of Class A Common Stock under the repurchase program opportunistically with funds from cash on hand, free cash flow from operations and potential liquidity events such as the sale of assets. This repurchase program may be suspended from time to time, modified, extended or discontinued by the Company's board of directors at any time.

There were no repurchases of Class A Common Stock during the three and nine months ended September 30, 2024. During the three and nine months ended September 30, 2023 the Company repurchased, excluding excise tax, approximately $9.6 million and $66.5 million common units under the repurchase program, respectively. As of September 30, 2024, approximately $434.2 million remains available under the repurchase program, excluding excise tax.

Cash Dividends

The board of directors of the Company has established a dividend policy, whereby the Operating Company distributes all or a portion of its available cash on a quarterly basis to its unitholders (including Diamondback, the Company and, following the TWR Acquisition completed on October 1, 2024, TWR IV). The Company in turn distributes all or a portion of the available cash it receives from the Operating Company to holders of its Class A Common Stock through base and variable dividends that take into account capital returned to stockholders via its stock repurchase program. The Company's available cash and the available cash of the Operating Company for each quarter is determined by the board of directors following the end of such quarter.

The cash available for distribution by the Operating Company, a non-GAAP measure, generally equals the Company's consolidated Adjusted EBITDA for the applicable quarter, less cash needed for income taxes payable, debt service, contractual obligations, fixed charges and reserves for future operating or capital needs that the board of directors of the Company deems necessary or appropriate, lease bonus income (net of applicable taxes), distribution equivalent rights payments, preferred dividends, and an adjustment for changes in ownership interests that occurred subsequent to the quarter, if any. For a detailed description of the Company's and the Operating Company's dividend policy, see Note 7—Stockholders' Equity—Cash Dividends in the Company's Annual Report on Form 10-K for the year ended December 31, 2023.

The percentage of cash available for distribution by the Operating Company pursuant to its distribution policy may change quarterly to enable the Operating Company to retain cash flow to help strengthen the Company's balance sheet while also expanding the return of capital program through the Company's stock repurchase program. The Company is not required to pay dividends to its Class A Common stockholders on a quarterly or other basis.

The following table presents information regarding cash dividends paid during the periods presented (in thousands, except for per share amounts):

	Distributions						
	(In thousands, except share amounts)						
Period	Amount per Operating Company Unit	Operating Company Distributions to Diamondback	Amount per Common Share	Common Stockholders[1][2]	Declaration Date	Stockholder Record Date	Payment Date
2024							
Q4 2023	$ 0.69	$ 62,590	$ 0.56	$ 48,337	February 15, 2024	March 5, 2024	March 12, 2024
Q1 2024	$ 0.70	$ 59,803	$ 0.59	$ 54,077	April 25, 2024	May 15, 2024	May 22, 2024
Q2 2024	$ 0.76	$ 64,927	$ 0.64	$ 58,669	August 1, 2024	August 15, 2024	August 22, 2024
2023							
Q4 2022	$ 0.54	$ 48,983	$ 0.49	$ 35,683	February 15, 2023	March 3, 2023	March 10, 2023
Q1 2023	$ 0.42	$ 38,097	$ 0.33	$ 23,797	April 26, 2023	May 11, 2023	May 18, 2023
Q2 2023	$ 0.44	$ 39,912	$ 0.36	$ 25,563	July 25, 2023	August 10, 2023	August 17, 2023

(1) Dividends paid in the first quarter of 2024 include amounts paid to Diamondback for the 7,946,507 shares of Class A Common Stock then beneficially owned by Diamondback and distribution equivalent rights payments. As of March 31, 2024, Diamondback did not beneficially own any shares of Class A Common Stock. See Note 1—Organization and Basis of Presentation for further details.
(2) For distributions paid in 2023, includes amounts paid to Diamondback for the 731,500 common units then beneficially owned by Diamondback.

Cash dividends will be made to the common stockholders of record on the applicable record date, generally within 60 days after the end of each quarter.

Change in Ownership of Consolidated Subsidiaries

Non-controlling interest in the accompanying condensed consolidated financial statements represents Diamondback's ownership in the net assets of the Operating Company. Diamondback's relative ownership interest in the Operating Company can change due to its purchase or sale of the Company's Common Stock, the Company's public offerings of shares of Class A Common Stock, issuance of shares of Class A Common Stock or Operating Company units for acquisitions, share-based compensation, repurchases of shares of Class A Common Stock and distribution equivalent rights paid on the Company's Class A Common Stock. These changes in ownership percentage result in adjustments to non-controlling interest and stockholders' equity, tax effected, but do not impact earnings.

The following table summarizes the changes in stockholders' equity due to changes in ownership interest during the period:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
	(In thousands)			
Net income (loss) attributable to the Company	$ 48,917	$ 78,599	$ 149,178	$ 143,116
Change in ownership of consolidated subsidiaries	(155,839)	3,469	(79,485)	31,667
Change from net income (loss) attributable to the Company's stockholders and transfers with non-controlling interest	$ (106,922)	$ 82,068	$ 69,693	$ 174,783

8. EARNINGS PER COMMON SHARE

The net income (loss) per common share on the condensed consolidated statements of operations is based on the net income (loss) attributable to the Company's Class A Common Stock or common units for the three and nine months ended September 30, 2024 and 2023, respectively.

Basic and diluted earnings per common share are calculated using the two-class method. The two-class method is an earnings allocation proportional to the respective ownership among holders of Class A Common Stock and participating securities. Basic net income (loss) per common share is calculated by dividing net income (loss) by the weighted-average shares of Class A Common Stock or common units outstanding during the period. Diluted net income (loss) per common share gives effect, when applicable, to unvested shares of Class A Common Stock granted under the LTIP.

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

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
	(In thousands, except per share amounts)			
Net income (loss) attributable to the period	$ 48,917	$ 78,599	$ 149,178	$ 143,116
Less: distributed and undistributed earnings allocated to participating securities [1]	123	146	295	263
Net income (loss) attributable to common stockholders	$ 48,794	$ 78,453	$ 148,883	$ 142,853
Weighted average common shares outstanding:				
Basic weighted average common shares outstanding	93,695	70,925	90,895	71,803
Effect of dilutive securities:				
Potential common shares issuable [2]	52	—	94	—
Diluted weighted average common shares outstanding	93,747	70,925	90,989	71,803
Net income (loss) per common share, basic	$ 0.52	$ 1.11	$ 1.64	$ 1.99
Net income (loss) per common share, diluted	$ 0.52	$ 1.11	$ 1.64	$ 1.99

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

(2) For the three and nine months ended September 30, 2024 and 2023, there were no other significant potential common shares excluded from the computation of diluted earnings per common share.

9. INCOME TAXES

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
	(In thousands, except for tax rate)			
Provision for (benefit from) income taxes	$ 17,194	$ 21,879	$ 42,729	$ 39,735
Effective tax rate	13.6 %	9.6 %	11.4 %	9.6 %

The Company's effective income tax rates for the three and nine months ended September 30, 2024 and 2023 differed from the amounts computed by applying the United States federal statutory tax rate to pre-tax income for the periods primarily due to net income attributable to the non-controlling interest.

As of September 30, 2024 and 2023, the Company maintained a partial valuation allowance against its deferred tax assets considered not more likely than not to be realized, based on its assessment of all available evidence, both positive and negative as required by applicable accounting standards. In March 2024, Diamondback converted approximately 5.28 million shares of the Company's Class B Common Stock along with 5.28 million Operating Company units into an equivalent number of shares of Class A Common Stock. In connection with this transaction, the Company recognized a $28.2 million increase in its deferred tax asset and a $ 10.8 million increase in its valuation allowance through additional paid-in capital.

The Company incurred no excise tax on repurchases of Class A Common Stock during the three and nine months ended September 30, 2024 and an immaterial amount of excise tax for the three and nine months ended September 30, 2023.

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

10. DERIVATIVES

All derivative financial instruments are recorded at fair value. The Company has not designated its derivative instruments as hedges for accounting purposes and, as a result, marks its 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.”

Commodity Contracts

The Company historically has used fixed price swap contracts, fixed price basis swap contracts and costless collars with corresponding put and call options to reduce price volatility associated with certain of its royalty income. At September 30, 2024, the Company has put options, costless collars and fixed price basis swaps outstanding.

The Company’s derivative contracts are based upon reported settlement prices on commodity exchanges, with put contracts for oil based on WTI Cushing and fixed price basis swaps for oil based on the spread between the WTI Cushing crude oil price and the Argus WTI Midland crude oil price. The Company’s fixed price basis swaps for natural gas are for the spread between the Waha Hub natural gas price and the Henry Hub natural gas price. The weighted average differential represents the amount of reduction to the WTI Cushing oil price and the Waha Hub natural gas price for the notional volumes covered by the basis swap contracts. Under the Company’s costless collar contracts, each collar has an established floor price and ceiling price. When the settlement price is below the floor price, the counterparty is required to make a payment to the Company, and when the settlement price is above the ceiling price, the Company is required to make a payment to the counterparty. When the settlement price is between the floor and the ceiling, there is no payment required.

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’s counterparties are all participants in the amended and restated credit facility, which is secured by substantially all of the assets of the Operating Company; therefore, the Company is not required to post any collateral. The Company’s counterparties have been determined to have an acceptable credit risk; therefore, the Company does not require collateral from its counterparties.

As of September 30, 2024, the Company had the following outstanding derivative contracts. When aggregating multiple contracts, the weighted average contract price is disclosed.

					Swaps	Collars		Puts	
Settlement Month	Settlement Year	Type of Contract	Bbls/MMBtu Per Day	Index	Weighted Average Differential	Weighted Average Floor Price	Weighted Average Ceiling Price	Strike Price	Deferred Premium
OIL									
Oct. - Dec.	2024	Puts	16,000	WTI Cushing	$—	$—	$—	$55.00	$(1.70)
Oct. - Dec.	2024	Costless Collar	4,000	WTI Cushing	$—	$55.00	$93.66	$—	$—
Jan. - Mar.	2025	Puts	20,000	WTI Cushing	$—	$—	$—	$55.00	$(1.62)
Apr. - Jun.	2025	Puts	20,000	WTI Cushing	$—	$—	$—	$55.00	$(1.61)
NATURAL GAS									
Oct. - Dec.	2024	Basis Swaps	30,000	Waha Hub	$(1.20)	$—	$—	$—	$—
Jan. - Dec.	2025	Basis Swaps	40,000	Waha Hub	$(0.68)	$—	$—	$—	$—
Jan. - Dec.	2025	Costless Collar	40,000	Henry Hub	$—	$2.50	$4.85	$—	$—

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

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 11—Fair Value Measurements for further details.

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 and the net cash receipts (payments) on derivatives for the periods presented:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
	(In thousands)			
Gain (loss) on derivative instruments	$ 7,410	$ (2,988)	$ 5,264	$ (30,685)
Net cash receipts (payments) on derivatives	$ 187	$ (3,807)	$ (2,038)	$ (10,019)

11. FAIR VALUE MEASUREMENTS

Assets and Liabilities Measured at Fair Value on a Recurring Basis

As discussed in Note 11—Fair Value Measurements in the Company's Annual Report on Form 10-K for the year ended December 31, 2023, certain assets and liabilities are reported at fair value on a recurring basis on the Company's condensed consolidated balance sheets, including the Company's derivative instruments and the 2026 WTI Contingent Liability. The 2026 WTI Contingent Liability is recorded in "Other long-term liabilities" on the Company's condensed consolidated balance sheet at September 30, 2024, with the change in fair value being recognized in "Gain (loss) on derivative instruments, net" on the Company's condensed consolidated statements of operations for the three and nine months ended September 30, 2024.

The fair values of the Company's derivative contracts are measured internally using established commodity futures price strips for the underlying commodity provided by a reputable third party, the contracted notional volumes, and time to maturity. The net amounts are classified as current or noncurrent based on their anticipated settlement dates. The fair value of the 2026 WTI Contingent Liability is estimated using observable market data and a Monte Carlo pricing model, which are considered Level 2 inputs in the fair value hierarchy.

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

The following table provides (i) fair value measurement information for financial assets and liabilities measured at fair value on a recurring basis, (ii) the gross amounts of recognized derivative assets and liabilities, (iii) the amounts offset under master netting arrangements with counterparties, and (iv) the resulting net amounts presented in the Company's condensed consolidated balance sheets as of September 30, 2024 and December 31, 2023:

	As of September 30, 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 thousands)					
Assets:						
Current:						
Derivative instruments	$ —	$ 12,585	$ —	$ 12,585	$ (9,790)	$ 2,795
Non-current:						
Derivative instruments	$ —	$ 3,704	$ —	$ 3,704	$ (977)	$ 2,727
Liabilities:						
Current:						
Derivative instruments	$ —	$ 10,691	$ —	$ 10,691	$ (9,790)	$ 901
Non-current:						
Derivative instruments	$ —	$ 977	$ —	$ 977	$ (977)	$ —
2026 WTI Contingent Liability	$ —	$ 4,789	$ —	$ 4,789	$ —	$ 4,789

	As of December 31, 2023					
	Level 1	Level 2	Level 3	Total Gross Fair Value	Gross Amounts Offset in Balance Sheet	Net Fair Value Presented in Balance Sheet
	(In thousands)					
Assets:						
Current:						
Derivative instruments	$ —	$ 7,040	$ —	$ 7,040	$ (6,682)	$ 358
Non-current:						
Derivative instruments	$ —	$ 1,269	$ —	$ 1,269	$ (1,177)	$ 92
Liabilities:						
Current:						
Derivative instruments	$ —	$ 9,643	$ —	$ 9,643	$ (6,682)	$ 2,961
Non-current:						
Derivative instruments	$ —	$ 1,378	$ —	$ 1,378	$ (1,177)	$ 201

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

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:

	September 30, 2024		December 31, 2023	
	Carrying Value	Fair Value	Carrying Value	Fair Value
	(In thousands)			
Debt:				
Revolving credit facility	$ —	$ —	$ 263,000	$ 263,000
5.375% senior unsecured notes due 2027 (1)	$ 426,770	$ 429,033	$ 425,949	$ 422,122
7.375% senior unsecured notes due 2031 (1)	$ 394,735	$ 422,000	$ 394,133	$ 418,408

(1) The carrying value includes associated deferred loan costs and any discount.

The fair value of the Operating Company's revolving credit facility approximates the carrying value based on borrowing rates available to the Company for bank loans with similar terms and maturities and is classified as Level 2 in the fair value hierarchy. The fair value of the Notes was 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 mineral and royalty interests acquired in asset acquisitions and subsequent write-downs of the Company's proved oil and natural gas interests to fair value when they are impaired or held for sale.

Fair Value of Financial Assets

The Company has other financial instruments consisting of cash and cash equivalents, royalty income receivable, income tax receivable, funds held in escrow, prepaid expenses and other current assets, accounts payable, accrued liabilities and income taxes payable. The carrying value of these instruments approximate their fair value because of the short-term nature of the instruments.

12. COMMITMENTS AND CONTINGENCIES

The Company is a party to various routine legal proceedings, disputes and claims from time to time arising in the ordinary course of its business. 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 reserves 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.

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

13. SUBSEQUENT EVENTS

TWR Acquisition

On October 1, 2024, the Company and the Operating Company 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 "TWR Acquisition"), pursuant to a definitive purchase and sale agreement for consideration consisting of approximately (i) $458.9 million in cash, subject to transaction costs and customary post-closing adjustments, (ii) 10.09 million Operating Company units to TWR IV, (iii) an option (the "TWR Class B Option") granted to TWR IV to acquire up to 10.09 million shares of the Company's Class B Common Stock, and (iv) contingent cash consideration of up to $ 41.0 million, payable in January of 2026, based on the WTI 2025 Average. The contingent cash consideration payment will be (i) $16.4 million if the WTI 2025 Average is between $ 60.00 and $65.00, (ii) $24.6 million if the WTI 2025 Average is between $ 65.00 and $75.00, or (iii) $41.0 million if the WTI 2025 Average is greater than $75.00.

TWR IV can exchange some or all of the Operating Company units received for an equal number of shares of Class A Common Stock upon expiration of a six month lockup period, and any Operating Company units so exchanged will reduce the number of shares of Class B Common Stock subject to the TWR Class B Option. The mineral and royalty interests acquired in the TWR Acquisition represent approximately 3,067 net royalty acres located primarily in the Permian Basin. The Company funded the cash consideration through a combination of cash on hand, borrowings under the Operating Company's revolving credit facility and proceeds from the 2024 Equity Offering.

Following the completion of the TWR Acquisition, as of October 1, 2024, Viper Energy, Inc. owned approximately 52% of the Operating Company units and remained the managing member of the Operating Company.

Cash Dividend

On October 31, 2024, the board of directors of the Company approved a cash dividend for the third quarter of 2024 of $ 0.61 per share of Class A Common Stock and $0.73 per Operating Company unit, in each case, payable on November 21, 2024, to holders of record at the close of business on November 14, 2024. The dividend on Class A Common Stock consists of a base quarterly dividend of $0.30 per share and a variable quarterly dividend of $0.31 per share. The dividend declared on the Operating Company units gives effect to the Operating Company units issued to TWR IV on October 1, 2024, as discussed above.

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

On November 13, 2023, we converted from a Delaware limited partnership to a Delaware corporation. See Note 1— Organization and Basis of Presentation of the notes to the condensed consolidated financial statements for additional discussion of the Conversion. 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, 2023. 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 a publicly traded Delaware corporation focused on owning and acquiring mineral and royalty interests in oil and natural gas properties primarily in the Permian Basin. We operate in one reportable segment.

Recent Developments

TWR Acquisition

On October 1, 2024, we completed the TWR Acquisition for approximately $458.9 million in cash and 10.09 million Operating Company units, subject to transaction costs and customary post-closing adjustments. Additionally, up to $41.0 million in contingent consideration may be payable in January of 2026 based on the WTI 2025 Average. The mineral and royalty interests acquired in the TWR Acquisition represent approximately 3,067 net royalty acres located primarily in the Permian Basin. See Note 13—Subsequent Events of the notes to the condensed consolidated financial statements for further details.

2024 Equity Offering

On September 13, 2024, we completed an underwritten public offering of approximately 11.50 million shares of our Class A Common Stock, which included 1.50 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 of approximately $475.9 million, after the underwriters' discount and transaction costs.

Q3 2024 Acquisitions

On September 3, 2024, we completed the Q Acquisition, which consisted of approximately 406 net royalty acres primarily in the Permian Basin for a purchase price of $113.6 million in cash, subject to transaction costs and customary post-closing adjustments, and contingent cash consideration of up to $5.4 million payable in January of 2026.

On September 3, 2024, we completed the M Acquisition, which consisted of approximately 267 net royalty acres primarily in the Permian Basin for a purchase price of $75.8 million in cash, subject to transaction costs and customary post-closing adjustments, and contingent cash consideration of up to $3.6 million payable in January of 2026.

See Note 4—Acquisitions and Divestitures of the notes to the condensed consolidated financial statements for further discussion of the acquisitions.

After giving effect to the Q Acquisition and M Acquisition (collectively, the "Q&M Acquisitions") and the recently completed TWR Acquisition (together with the Q&M Acquisitions, the "Tumbleweed Acquisitions"), our footprint of mineral and royalty interests totals approximately 35,634 net royalty acres, approximately 54% of which are operated by Diamondback.

Cash Dividend Update

On August 1, 2024, our board of directors approved increasing our annual base dividend to $1.20 per share of Class A Common Stock beginning with our dividend payable for the second quarter of 2024. On October 31, 2024, we declared a combined base and variable cash dividend of $0.61 per share of Class A Common Stock and $0.73 per Operating Company unit

payable in the fourth quarter of 2024. The dividend declared on the Operating Company units gives effect to the Operating Company units issued to TWR IV on October 1, 2024, as discussed above.

Commodity Prices

Prices for oil, natural gas and natural gas liquids are determined primarily by prevailing market conditions. Regional and worldwide economic activity, 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. OPEC and its non-OPEC allies, known collectively as OPEC+, continue to meet regularly to evaluate the state of global oil supply, demand and inventory levels and can heavily influence volatility in oil prices. During the nine months ended 2024 and 2023, WTI prices averaged $77.61 and $77.28 per Bbl, respectively, and Henry Hub prices averaged $2.22 and $2.58 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.

Guidance

We increased our production guidance for full year 2024 to give effect to the impact of acquisitions in the second half of the year. The following table presents our current estimates of certain financial and operating results for the full year, as well as production and cash tax guidance for the fourth quarter of 2024. These estimates assume no additional acquisitions or divestitures in 2024.

	2024 Guidance
Q4 2024 net production - MBO/d	29.25 - 29.75
Q4 2024 net production - MBOE/d	52.50 - 53.00
Full year 2024 net production - MBO/d	27.00 - 27.25
Full year 2024 net production - MBOE/d	48.75 - 49.25
Costs ($/BOE)	
Depletion	$11.50 - $12.00
Cash general and administrative expenses	$0.80 - $1.00
Non-cash share-based compensation	$0.10 - $0.20
Interest expense	$4.00 - $4.25
Production and ad valorem taxes (% of revenue)	~7%
Cash tax rate (% of pre-tax income attributable to Viper Energy, Inc.)	20% - 22%
Q4 2024 cash taxes (In millions) [(1)]	$13.0 - $18.0

(1) Attributable to Viper Energy, Inc.

Production and Operational Update

There are currently 60 rigs operating on our mineral and royalty acreage, seven of which are operated by Diamondback. We continue to see strong activity levels across our acreage position and benefit from Diamondback's continued large-scale development of our high concentration royalty acreage.

The following table summarizes our gross well information as of October 1, 2024, after giving effect to the Tumbleweed Acquisitions:

	Diamondback Operated	Third Party Operated	Total
Horizontal wells turned to production[1]:			
Gross wells	81	249	330
Net 100% royalty interest wells	4.1	2.7	6.8
Average percent net royalty interest	5.1 %	1.1 %	2.1 %
Horizontal producing well count:			
Gross wells	2,755	7,969	10,724
Net 100% royalty interest wells	150.1	102.0	252.1
Average percent net royalty interest	5.4 %	1.3 %	2.4 %
Horizontal active development well count[2]:			
Gross wells	179	624	803
Net 100% royalty interest wells	10.4	7.3	17.7
Average percent net royalty interest	5.8 %	1.2 %	2.2 %
Line of sight wells[3]:			
Gross wells	266	859	1,125
Net 100% royalty interest wells	8.6	13.4	22.0
Average percent net royalty interest	3.2 %	1.6 %	2.0 %

(1) Average lateral length of 11,866.

(2) The total 803 gross wells currently in the process of active development are those wells that have been spud and are expected to be turned to production within approximately the next six to eight months.

(3) The total 1,125 gross line-of-sight wells are those that are not currently in the process of active development, but for which we have reason to believe that they will be turned to production within approximately the next 15 to 18 months. The expected timing of these line-of-sight wells is based primarily on permitting by third party operators or Diamondback's current expected completion schedule. Existing permits or active development of our royalty acreage does not ensure that those wells will be turned to production given the volatility in oil prices.

Comparison of the Three Months Ended September 30, 2024 and June 30, 2024

Results of Operations

The following table summarizes our income and expenses for the periods indicated:

	Three Months Ended	
	September 30, 2024	June 30, 2024
	(In thousands)	
Operating income:		
Oil income	$ 186,750	$ 194,335
Natural gas income	823	1,143
Natural gas liquids income	20,585	20,008
Royalty income	208,158	215,486
Lease bonus income—related party	107	—
Lease bonus income	1,143	1,096
Other operating income	180	126
Total operating income	209,588	216,708
Costs and expenses:		
Production and ad valorem taxes	15,113	15,201
Depletion	54,528	48,360
General and administrative expenses—related party	2,569	2,436
General and administrative expenses	2,046	2,019
Other operating expense	(236)	139
Total costs and expenses	74,020	68,155
Income (loss) from operations	135,568	148,553
Other income (expense):		
Interest expense, net	(16,739)	(18,667)
Gain (loss) on derivative instruments, net	7,410	5,346
Total other expense, net	(9,329)	(13,321)
Income (loss) before income taxes	126,239	135,232
Provision for (benefit from) income taxes	17,194	13,006
Net income (loss)	109,045	122,226
Net income (loss) attributable to non-controlling interest	60,128	65,325
Net income (loss) attributable to Viper Energy, Inc.	$ 48,917	$ 56,901

The following table summarizes our production data, average sales prices and average costs for the periods indicated:

	Three Months Ended	
	September 30, 2024	June 30, 2024
Production data:		
Oil (MBbls)	2,482	2,398
Natural gas (MMcf)	6,150	5,631
Natural gas liquids (MBbls)	1,035	983
Combined volumes (MBOE)[1]	4,542	4,320
Average daily oil volumes (BO/d)	26,978	26,352
Average daily combined volumes (BOE/d)	49,370	47,473
Average sales prices:		
Oil ($/Bbl)	$ 75.24	$ 81.04
Natural gas ($/Mcf)	$ 0.13	$ 0.20
Natural gas liquids ($/Bbl)	$ 19.89	$ 20.35
Combined ($/BOE)[2]	$ 45.83	$ 49.88
Oil, hedged ($/Bbl)[3]	$ 74.27	$ 80.24
Natural gas, hedged ($/Mcf)[3]	$ 0.56	$ 0.64
Natural gas liquids ($/Bbl)[3]	$ 19.89	$ 20.35
Combined price, hedged ($/BOE)[3]	$ 45.87	$ 50.00
Average costs ($/BOE):		
Production and ad valorem taxes	$ 3.33	$ 3.52
General and administrative - cash component	0.83	0.84
Total operating expense - cash	$ 4.16	$ 4.36
General and administrative - non-cash stock compensation expense	$ 0.19	$ 0.19
Interest expense, net	$ 3.69	$ 4.32
Depletion	$ 12.01	$ 11.19

(1) Bbl equivalents are calculated using a conversion rate of six Mcf per one Bbl.
(2) Realized price net of all deducts for gathering, transportation and processing.
(3) Hedged prices reflect the impact of cash settlements of our matured commodity derivative transactions on our average sales prices.

Royalty Income

Our royalty income is a function of oil, natural gas and natural gas liquids production volumes sold and average prices received for those volumes.

Royalty income decreased by $7.3 million during the third quarter of 2024 compared to the second quarter of 2024. This net decrease consisted of a $15.3 million reduction attributable to lower average oil, natural gas and natural gas liquids prices received for our production during the third quarter of 2024 compared to the second quarter of 2024, partially offset by an increase of $8.0 million attributable to the 5% growth in production volumes.

Approximately 15% of the overall increase in production is attributable to the GRP Acquisition and approximately 11% is attributable to the Q&M Acquisitions. The remainder of the growth is from new wells added between periods.

Production and Ad Valorem Taxes

The following table presents production and ad valorem taxes for the periods indicated:

	Three Months Ended					
	September 30, 2024			June 30, 2024		
	Amount (In thousands)	Per BOE	Percentage of Royalty Income	Amount (In thousands)	Per BOE	Percentage of Royalty Income
Production taxes	$ 10,351	$ 2.28	5.0 %	$ 10,597	$ 2.45	5.0 %
Ad valorem taxes	4,762	1.05	2.3	4,604	1.07	2.1
Total production and ad valorem taxes	$ 15,113	$ 3.33	7.3 %	$ 15,201	$ 3.52	7.1 %

In general, production taxes are directly related to production revenues and are based upon current year commodity prices. Production taxes as a percentage of royalty income for the third quarter of 2024 were relatively consistent with the second quarter of 2024.

Ad valorem taxes are based, among other factors, on property values driven by prior year commodity prices. Ad valorem taxes in total and per BOE for the third quarter of 2024 were relatively consistent with the second quarter of 2024.

Depletion

The increase in depletion expense of $6.2 million for the third quarter of 2024 compared to the second quarter of 2024 consists primarily of (i) $3.7 million due to an increase in the depletion rate to $12.01 per BOE for the third quarter of 2024, resulting primarily from the addition of higher values of proved reserves from the Q&M Acquisitions compared to $11.19 per BOE for the second quarter of 2024, and (ii) $2.5 million from growth in production volumes.

Derivative Instruments

The following table shows the net gain (loss) on derivative instruments and the net cash receipts (payments) on derivatives for the periods presented:

	Three Months Ended	
	September 30, 2024	June 30, 2024
	(In thousands)	
Gain (loss) on derivative instruments	$ 7,410	$ 5,346
Net cash receipts (payments) on derivatives	$ 187	$ 529

See Note 10—Derivatives of the notes to the condensed consolidated financial statements for additional discussion of our open contracts at September 30, 2024.

Provision for (Benefit from) Income Taxes

The $4.2 million increase in income tax expense for the third quarter of 2024 compared to the second quarter of 2024 primarily resulted from additional income before income taxes being attributed to Viper Energy, Inc. in the third quarter of 2024 due to higher ownership interest in the Operating Company following the completion of the 2024 Equity Offering. See Note 9—Income Taxes of the notes to the condensed consolidated financial statements for further discussion of income tax expense.

Net Income (Loss) Attributable to Non-controlling Interest

The $5.2 million decrease in net income attributable to non-controlling interest for the third quarter of 2024 compared to the second quarter of 2024 is primarily due to (i) a decrease in net income, (ii) a decrease in Diamondback's ownership of our common stock in the first quarter of 2024 following the completion of the Diamondback Offering, and (iii) a decrease in Diamondback's ownership of our common stock in the third quarter of 2024 following the completion of the 2024 Equity Offering.

Comparison of the Nine Months Ended September 30, 2024 and 2023

Results of Operations

The following table summarizes our income and expenses for the periods indicated:

	Nine Months Ended September 30,	
	2024	2023
	(In thousands)	
Operating income:		
Oil income	$ 558,203	$ 443,927
Natural gas income	8,763	22,974
Natural gas liquids income	61,745	47,995
Royalty income	628,711	514,896
Lease bonus income—related party	227	105,585
Lease bonus income	2,289	1,730
Other operating income	461	774
Total operating income	631,688	622,985
Costs and expenses:		
Production and ad valorem taxes	44,720	37,794
Depletion	149,821	101,331
General and administrative expenses—related party	7,391	2,772
General and administrative expenses	6,712	3,880
Other operating expense	(3)	—
Total costs and expenses	208,641	145,777
Income (loss) from operations	423,047	477,208
Other income (expense):		
Interest expense, net	(54,736)	(31,636)
Gain (loss) on derivative instruments, net	5,264	(30,685)
Other income, net	—	258
Total other expense, net	(49,472)	(62,063)
Income (loss) before income taxes	373,575	415,145
Provision for (benefit from) income taxes	42,729	39,735
Net income (loss)	330,846	375,410
Net income (loss) attributable to non-controlling interest	181,668	232,294
Net income (loss) attributable to Viper Energy, Inc.	$ 149,178	$ 143,116

The following table summarizes our production data, average sales prices and average costs for the periods indicated:

	Nine Months Ended September 30,	
	2024	2023
Production data:		
Oil (MBbls)	7,192	5,771
Natural gas (MMcf)	17,370	13,809
Natural gas liquids (MBbls)	2,972	2,224
Combined volumes (MBOE)[1]	13,059	10,297
Average daily oil volumes (BO/d)	26,248	21,139
Average daily combined volumes (BOE/d)	47,661	37,718
Average sales prices:		
Oil ($/Bbl)	$ 77.61	$ 76.92
Natural gas ($/Mcf)	$ 0.50	$ 1.66
Natural gas liquids ($/Bbl)	$ 20.78	$ 21.58
Combined ($/BOE)[2]	$ 48.14	$ 50.00
Oil, hedged ($/Bbl)[3]	$ 76.70	$ 75.85
Natural gas, hedged ($/Mcf)[3]	$ 0.77	$ 1.39
Natural gas liquids ($/Bbl)[3]	$ 20.78	$ 21.58
Combined price, hedged ($/BOE)[3]	$ 47.99	$ 49.03
Average costs ($/BOE):		
Production and ad valorem taxes	$ 3.42	$ 3.67
General and administrative - cash component	0.91	0.55
Total operating expense - cash	$ 4.33	$ 4.22
General and administrative - non-cash stock compensation expense	$ 0.17	$ 0.10
Interest expense, net	$ 4.19	$ 3.07
Depletion	$ 11.47	$ 9.84

(1) Bbl equivalents are calculated using a conversion rate of six Mcf per one Bbl.
(2) Realized price net of all deducts for gathering, transportation and processing.
(3) Hedged prices reflect the impact of cash settlements of our matured commodity derivative transactions on our average sales prices.

Royalty Income

Our royalty income is a function of oil, natural gas and natural gas liquids production volumes sold and average prices received for those volumes.

Royalty income increased $113.8 million during the nine months ended September 30, 2024 compared to the same period in 2023. This net increase consisted of an additional $131.4 million in royalty income from the 27% growth in production, partially offset by a decrease of $17.6 million due to lower average natural gas and natural gas liquids prices received for our production during 2024 compared to the same period in 2023.

Approximately 85% of the overall increase in production is attributable to the GRP Acquisition, approximately 6% is attributable to the Drop Down and approximately 1% is attributable to the Q&M Acquisitions. The remainder of the growth comes from new wells added between periods.

Lease Bonus Income—Related Party

Lease bonus income from Diamondback decreased by $105.4 million due to receiving payment for three new leases covering approximately 85 acres in Martin County Texas, for the nine months ended September 30, 2024, compared to receiving payment for five new leases and two lease extensions covering approximately 13,341 acres in Martin, Midland, Pecos and Wheeler Counties, Texas, during the same period in 2023. See Note 2 —Summary of Significant Accounting Policies of the notes to the condensed consolidated financial statements for further details.

Production and Ad Valorem Taxes

The following table presents production and ad valorem taxes for the periods indicated:

	Nine Months Ended September 30,					
	2024			2023		
	Amount (In thousands)	Per BOE	Percentage of Royalty Income	Amount (In thousands)	Per BOE	Percentage of Royalty Income
Production taxes	$ 31,292	$ 2.40	5.0 %	$ 25,876	$ 2.51	5.0 %
Ad valorem taxes	13,428	1.02	2.1	11,918	1.16	2.3
Total production and ad valorem taxes	$ 44,720	$ 3.42	7.1 %	$ 37,794	$ 3.67	7.3 %

In general, production taxes are directly related to production revenues and are based upon current year commodity prices. Production taxes as a percentage of royalty income for the nine months ended September 30, 2024 remained consistent with the same period in 2023.

Ad valorem taxes are based, among other factors, on property values driven by prior year commodity prices. Ad valorem taxes for the nine months ended September 30, 2024 as compared to the same period in 2023 increased by $1.5 million primarily due to an increase in the expected ad valorem tax rates for 2024 compared to the expected rates in the third quarter of 2023.

Depletion

The increase in depletion expense of $48.5 million for the nine months ended September 30, 2024 compared to the same period in 2023 consisted primarily of (i) $27.2 million from growth in production volumes, and (ii) $21.3 million due to an increase in the depletion rate to $11.47 per BOE for the nine months ended September 30, 2024, resulting primarily from the addition of leasehold costs and reserves from the GRP Acquisition and the Q&M Acquisitions compared to $9.84 per BOE for the same period in 2023.

General and Administrative Expenses

The following table shows general and administrative expenses for the periods presented:

	Nine Months Ended September 30,	
	2024	2023
	(In thousands, except per BOE amounts)	
General and administrative expenses—related party	$ 7,391	$ 2,772
General and administrative expenses	6,712	3,880
General and administrative expenses	$ 14,103	$ 6,652
General and administrative expenses ($ per BOE)	$ 1.08	$ 0.65

The $7.5 million increase in general and administrative expenses for the nine months ended September 30, 2024 compared to the same period in 2023 consists of (i) a $4.6 million increase in expenses billed by Diamondback as discussed below, (ii) approximately $1.9 million in legal expenses primarily related to the Diamondback Offering, and (iii) other individually insignificant changes.

Prior to 2024, we reimbursed Diamondback a flat quarterly fee for management and administrative services provided to us by Diamondback. Beginning in 2024, Diamondback began billing us for estimated actual salary and benefit costs incurred for services provided to us by seconded employees under the Services and Secondment Agreement during the quarter.

Derivative Instruments

The following table shows the net gain (loss) on derivative instruments and the net cash receipts (payments) on derivatives for the periods presented:

	Nine Months Ended September 30,	
	2024	2023
	(In thousands)	
Gain (loss) on derivative instruments	$ 5,264	$ (30,685)
Net cash receipts (payments) on derivatives	$ (2,038)	$ (10,019)

The change to a gain on derivative instruments from a loss on derivative instruments for the nine months ended September 30, 2024 compared to the same period in 2023 is primarily due to an increase in the differential between prices for Waha Hub and Henry Hub resulting in a gain on our natural gas basis swaps in the nine months ended September 30, 2024 compared to a loss in 2023. See Note 10—Derivatives of the notes to the condensed consolidated financial statements for additional discussion of our open contracts at September 30, 2024.

Provision for (Benefit from) Income Taxes

The $3.0 million increase in income tax expense for the nine months ended September 30, 2024 compared to the same period in 2023 primarily resulted from additional income before income taxes being attributed to Viper Energy, Inc. in the third quarter of 2024 due to higher ownership interest in the Operating Company following the completion of the 2024 Equity Offering. See Note 9—Income Taxes of the notes to the condensed consolidated financial statements for further discussion of income tax expense.

Net Income (Loss) Attributable to Non-controlling Interest

The $50.6 million decrease in net income attributable to non-controlling interest for the nine months ended September 30, 2024 compared to the same period in 2023 is primarily due to (i) a decrease in net income, (ii) a decrease in Diamondback's ownership of our common stock in the first quarter of 2024 following the completion of the Diamondback Offering, and (iii) a decrease in Diamondback's ownership of our common stock in the third quarter of 2024 following the completion of the 2024 Equity Offering.

Liquidity and Capital Resources

Overview of Sources and Uses of Cash

As we pursue our business and financial strategy, we regularly consider which capital resources, including cash flow, equity and debt financings are available to meet our future financial obligations and liquidity requirements. Our future ability to grow proved reserves will be highly dependent on the capital resources available to us. Our primary sources of liquidity have been cash flows from operations, proceeds from sales of non-core assets, equity and debt offerings and borrowings under the Operating Company's revolving credit facility. Our primary uses of cash have been dividends to our stockholders, Operating Company distributions to the holders of Operating Company units, repayments of debt, capital expenditures for the acquisition of our mineral and royalty interests in oil and natural gas properties, including the Tumbleweed Acquisitions and repurchases of our Class A Common Stock. At September 30, 2024, we had approximately $1.0 billion of liquidity consisting of $168.6 million in cash and cash equivalents and $850.0 million available under the Operating Company's revolving credit facility. See further discussion of changes in our sources of cash in "— *Capital Resources*" below.

Our working capital requirements are supported by our cash and cash equivalents and the Operating Company's revolving credit facility. We may draw on the Operating Company's 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. Because of the alternatives available to us as discussed above, 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 funding requirements including future acquisitions of mineral and royalty interests, dividends, debt service obligations, repayment of debt maturities, repurchases of our Class A Common Stock and one or more series of the Notes and any amounts that may ultimately be paid in connection with contingencies.

In order to mitigate volatility in oil and natural gas prices, we have entered into commodity derivative contracts as discussed further in Part II. Item 3. Quantitative and Qualitative Disclosures About Market Risk—Commodity Price Risk.

Continued prolonged volatility in the capital, financial and/or credit markets due to the war in Ukraine, the Israel-Hamas war and other conflicts in the Middle East, and/or adverse macroeconomic conditions, including higher interest rates, global supply chain disruptions and actions taken by OPEC members and other exporting nations may limit our access to, or increase our cost of, capital or make capital unavailable on terms acceptable to us or at all. Although we expect that our sources of funding will be adequate to fund our short-term and long-term liquidity requirements, we cannot assure you that the needed capital will be available on acceptable terms or at all.

Cash Flows

The following table presents our cash flows for the periods indicated:

	Nine Months Ended September 30,	
	2024	**2023**
	(In thousands)	
Cash flow data:		
Net cash provided by (used in) operating activities	$ 461,700	$ 492,397
Net cash provided by (used in) investing activities	(183,378)	(176,749)
Net cash provided by (used in) financing activities	(135,542)	(187,013)
Net increase (decrease) in cash and cash equivalents	$ 142,780	$ 128,635

Operating Activities

Our operating cash flow is sensitive to many variables, the most significant of which are the volatility of prices for oil and natural gas and the volumes of oil and natural gas sold by our producers. The decrease in net cash provided by operating activities during the nine months ended September 30, 2024 compared to the same period in 2023 was primarily driven by (i) a reduction in related party lease bonus income, (ii) an increase in cash paid for interest expense due to the issuance of our 7.375% Senior unsecured notes due 2031 in the fourth quarter of 2023, (iii) an increase in cash paid for taxes, and (iv) an increase in cash costs for production and ad valorem taxes and payments to Diamondback related to the change in reimbursement methodology under the Services and Secondment Agreement. These decreases in cash flow were offset by (i) an increase in royalty income, (ii) a decrease in cash paid for derivatives, and (iii) other changes in our working capital accounts. See "—*Results of Operations*" for discussion of significant changes in our revenues and expenses.

Investing Activities

Net cash used in investing activities during the nine months ended September 30, 2024 primarily related to the Q&M Acquisitions and acquisitions of oil and natural gas interests from third parties, partially offset by proceeds from the divestiture of our non-Permian assets.

Net cash used in investing activities during the nine months ended September 30, 2023 primarily related to acquisitions of oil and natural gas interests from third parties and in the Drop Down.

Financing Activities

Net cash used in financing activities during the nine months ended September 30, 2024 was primarily attributable to $348.4 million of dividends paid to stockholders and net repayments of $263.0 million on the Operating Company's revolving credit facility, offset by proceeds of $475.9 million from the 2024 Equity Offering.

Net cash used in financing activities during the nine months ended September 30, 2023 primarily resulted from distributions of $212.1 million and common unit repurchases of $67.2 million. These cash outflows were partially offset by net borrowings of $98.0 million under the Operating Company's revolving credit facility.

Capital Resources

The Operating Company's Revolving Credit Facility

At September 30, 2024, the Operating Company's credit facility, which matures on September 22, 2028, had an elected commitment amount of $850.0 million, with no outstanding borrowings and $850.0 million of availability. See Note 6—Debt of the notes to the condensed consolidated financial statements included elsewhere in this report for additional discussion of our outstanding debt at September 30, 2024.

On October 1, 2024, we completed the TWR Acquisition as discussed in Note 13—Subsequent Events of the notes to the condensed consolidated financial statements. Approximately $280.0 million of the cash consideration for this transaction was funded through borrowings under the Operating Company's credit facility, reducing the amount that remained available for future borrowings under this facility to $570.0 million as of October 1, 2024.

Capital Requirements

Repurchases of Securities

Under our current common stock repurchase program, the board of directors has authorized us to acquire up to $750.0 million of our Class A Common Stock, excluding excise tax. As of September 30, 2024, $434.2 million remains available for use to repurchase shares under this repurchase program.

We may also from time to time opportunistically repurchase some of the outstanding Notes in open market purchases or in privately negotiated transactions.

Cash Dividends

The Operating Company will pay a cash distribution for the third quarter of 2024 in accordance with its distribution policy of 0.73 per Operating Company unit on November 21, 2024 to eligible holders of record at the close of business on November 14, 2024. The dividend declared on the Operating Company units gives effect to the Operating Company units issued to TWR IV on October 1, 2024, as discussed above in "—Recent Developments".

We will pay a cash dividend for the third quarter of 2024 in accordance with our dividend policy of $0.61 per share of Class A Common Stock on November 21, 2024 to eligible holders of record at the close of business on November 14, 2024. The dividend to stockholders consists of a base quarterly dividend of $0.30 per share of Class A Common Stock and a variable quarterly dividend of $0.31 per share of Class A Common Stock. Future base and variable dividends are at the discretion of the board of directors.

See Note 7—Stockholders' Equity of the notes to the condensed consolidated financial statements for further discussion of the repurchase program and dividends.

Critical Accounting Estimates

There have been no changes to our critical accounting estimates from those disclosed in our Annual Report on Form 10-K for the year ended December 31, 2023.

Recent Accounting Pronouncements

See Note 2—Summary of Significant Accounting Policies included in 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

We are exposed to market risk, including the effects of adverse changes in commodity prices and interest rates as described below. The primary objective of the following information is to provide quantitative and qualitative information about our potential exposure to market risks. The term "market risk" refers to the risk of loss arising from adverse changes in oil and natural gas prices and interest rates. The disclosures are not meant to be precise indicators of expected future losses, but rather indicators of reasonably possible losses.

Commodity Price Risk

Our major market risk exposure is in the pricing applicable to the oil and natural gas production of our operators. Realized prices are driven primarily by the prevailing worldwide price for crude oil and prices for natural gas in the United States. Both crude oil and natural gas realized prices are also impacted by the quality of the product, supply and demand balances in local physical markets and the availability of transportation to demand centers. Pricing for oil and natural gas production has been historically volatile and unpredictable and the prices that our operators receive for production depend on many factors outside of our or their control, as discussed in Item 2. Liquidity and Capital Resources—Overview of Sources and Uses of Cash. We cannot predict events that may lead to future price volatility and the near term energy outlook remains subject to heightened levels of uncertainty.

We historically have used fixed price swap contracts, fixed price basis swap contracts and costless collars with corresponding put and call options to reduce price volatility associated with certain of our royalty income as discussed in Note 10—Derivatives of the notes to the condensed consolidated financial statements.

At September 30, 2024, we had a net asset derivative position related to our commodity price derivatives of $4.6 million. Utilizing actual derivative contractual volumes under our contracts as of September 30, 2024, a 10% increase in forward curves associated with the underlying commodity would have decreased the net asset position by $2.6 million to approximately $2.0 million, while a 10% decrease in forward curves associated with the underlying commodity would have increased the net asset derivative position by $5.0 million to approximately $9.6 million. However, certain cash derivative gains or losses may be partially offset by a decrease or increase, respectively, in the actual sales value of production covered by the derivative instrument.

Credit Risk

We are subject to risk resulting from the concentration of royalty income in producing oil and natural gas interests and receivables with a limited number of significant purchasers and producers. We do not require collateral and the failure or inability of our significant purchasers to meet their obligations to us due to their liquidity issues, bankruptcy, insolvency or liquidation may adversely affect our financial results. Volatility in the commodity pricing environment and macroeconomic conditions may enhance our purchaser credit risk.

Interest Rate Risk

We are subject to market risk exposure related to changes in interest rates on our indebtedness under the Operating Company's revolving credit facility. The terms of the credit facility provide for interest on borrowings at a floating rate equal to (i) term SOFR plus 0.10% ("Adjusted Term SOFR"), or (ii) an alternate base rate (which is equal to the greatest of the prime rate, the Federal Funds effective rate plus 0.50%, and 1-month Adjusted Term SOFR plus 1.00%), in each case plus the applicable margin. The applicable margin ranges from 1.00% to 2.00% per annum in the case of the alternative base rate and from 2.00% to 3.00% per annum in the case of Adjusted Term SOFR, in each case depending on the amount of the loans outstanding in relation to the commitment, which is calculated using the least of the maximum credit amount, the aggregate elected commitment amount and the borrowing base. We are obligated to pay a quarterly commitment fee ranging from 0.375% to 0.500% per year on the unused portion of the commitment. As of September 30, 2024, we had no outstanding borrowings. During the three and nine months ended September 30, 2024, the weighted average interest rate on the Operating Company's revolving credit facility was 7.51% and 7.52%, respectively.

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, 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 September 30, 2024, an evaluation was performed under the supervision and with the participation of management, including the 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 our Exchange Act. Based upon our evaluation, our Chief Executive Officer and Chief Financial Officer have concluded that as of September 30, 2024, 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 Q&M Acquisitions on September 3, 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 the entities acquired in the Q&M Acquisitions 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 third quarter of 2024 that have materially affected, or are reasonably likely to materially affect, internal controls over financial reporting.

PART II. OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

Due to the nature of our business, we are, from time to time, involved in routine litigation or subject to disputes or claims related to our business activities. In the opinion of our management, none of the pending litigation, disputes or claims against us, if decided adversely, will have a material adverse effect on our financial condition, cash flows or results of operations. See Note 12—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, 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, 2023, filed with the SEC on February 22, 2024, 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, 2023.

We may be unable to realize anticipated cash flows or other benefits from the Tumbleweed Acquisitions .

Our ability to achieve the anticipated benefits from the Tumbleweed Acquisitions will depend in part upon an assessment of several factors, including:

- recoverable reserves;
- future natural gas and oil prices and their appropriate differentials;

- existing and future production on the mineral and royalty acreage subject to the Tumbleweed Acquisitions and the operators' plans with respect to such acreage;
- any title defects; and
- environmental and other regulatory, permitting and similar matters.

The accuracy of these assessments is inherently uncertain. In connection with these assessments, we have performed a review of the subject properties that we believe to be generally consistent with industry practices. Our review may not reveal all existing or potential problems or permit us to become sufficiently familiar with the assets to fully assess their deficiencies and potential recoverable reserves. Inspections will not always be performed on every well, and structural and environmental problems are not necessarily observable even when an inspection is undertaken. The integration process may be subject to delays or changed circumstances, and we can give no assurance that the acquired mineral and royalty interests will generate cash flow in accordance with our expectations. Significant acquisitions, including the Tumbleweed Acquisitions, and other strategic transactions may involve other risks that may cause our business to be adversely impacted, including:

- diversion of our management's attention to evaluating and negotiating significant acquisitions and strategic transactions; and
- the failure to realize the full benefit that we expect in estimated proved reserves, production volume or other benefits anticipated from an acquisition, or to realize these benefits within the expected time frame.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

Unregistered Sales of Equity Securities

None.

Issuer Repurchases of Equity Securities

Our common share repurchase activity for the three months ended September 30, 2024 was as follows:

Period	Total Number of Shares Purchased	Average Price Paid Per Share[1][2]	Total Number of Shares Purchased as Part of Publicly Announced Plan	Approximate Dollar Value of Shares that May Yet Be Purchased Under the Plan[1][2]
		(In thousands, except share amounts)		
July 1, 2024 - July 31, 2024	—	$ —	—	$ 434,161
August 1, 2024 - August 31, 2024	—	$ —	—	$ 434,161
September 1, 2024 - September 30, 2024	—	$ —	—	$ 434,161
Total	—	$ —	—	

(1) On July 26, 2022, the board of directors increased the authorization under our then-in-effect repurchase program from $250.0 million to $750.0 million. This repurchase program has no expiration date and remains subject to market conditions, applicable legal requirements, contractual obligations and other factors and may be suspended from time to time, modified, extended or discontinued by the board of directors at any time.
(2) All dollar amounts presented exclude 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 our fiscal quarter ended September 30, 2024.

ITEM 6. EXHIBITS

Exhibit Number	Description
2.1#	Purchase and Sale Agreement, dated as of September 11, 2024, by and among Tumbleweed Royalty IV, LLC and TWR IV SellCo Parent, LLC (collectively, as sellers), Viper Energy Partners LLC (as buyer) and Viper Energy, Inc. (as parent, and collectively with Viper Energy Partners LLC, as buyer parties) (incorporated by reference to Exhibit 2.1 to the Current Report on Form 8-K, filed by Viper Energy, Inc. with the SEC on September 11, 2024).
3.1	Certificate of Conversion of Viper Energy Partners LP (incorporated by reference to Exhibit 99.2 to the Current Report on Form 8-K, filed by Viper Energy Partners LP with the SEC on November 2, 2023).
3.2	Certificate of Incorporation of Viper Energy, Inc. (incorporated by reference to Exhibit 99.3 to the Current Report on Form 8-K, filed by Viper Energy Partners LP with the SEC on November 2, 2023).
3.3	Bylaws of Viper Energy, Inc. (incorporated by reference to Exhibit 99.4 to the Current Report on Form 8-K, filed by Viper Energy Partners LP with the SEC on November 2, 2023).
3.4	Second Amended and Restated Limited Liability Company Agreement of Viper Energy Partners LLC, dated as of May 9, 2018 (incorporated by reference to Exhibit 3.3 of the Partnership's Current Report on Form 8-K (File 001-36505), filed on May 15, 2018).
3.5	First Amendment to Second Amended and Restated Limited Liability Company Agreement of Viper Energy Partners LLC, dated as of March 30, 2020, (incorporated by reference to Exhibit 3.1 of the Partnership's Current Report on Form 8-K (File 001-36505) filed on March 31, 2020).
3.6	Second Amendment to the Second Amended and Restated Limited Liability Company Agreement of Viper Energy Partners LLC, dated as of December 27, 2021 (incorporated by reference to 3.1 of the Partnership's Current Report on Form 8-K (File 001-36505) filed on December 28, 2021).
3.7+*	Third Amended and Restated Limited Liability Company Agreement of Viper Energy Partners LLC, dated as of October 1, 202 4.
4.1	Second Amended and Restated Registration Rights Agreement, dated as of November 10, 2023, effective as of November 13, 2023, by and between Viper Energy Partners LP and Diamondback Energy, Inc. (incorporated by reference to Exhibit 10.3 of the Company's Current Report on Form 8-K (File 001-36505) filed on November 13, 2023).
4.2	Registration Rights Agreement , dated as of October 1, 2024, by and between Viper Energy, Inc. and Tumbleweed Royalty IV, LLC, (incorporated by reference to Exhibit 4.3 of the Company's Current Report on Form 8-K (File 001-36505) filed on October 2, 2 024).
4.3	Class B Common Stock Option Agreement, dated as of October 1, 2024, by and between Viper Energy, Inc., Viper Energy Partners LLC and Tumbleweed Royalty IV, LLC (incorporated by reference to Exhibit 4.1 of the Company's Current Report on Form 8-K (File 001-36505) filed on October 2, 2024).
4.4	Second Amended and Restated Exchange Agreement, dated October 1, 2024, by and among Viper Energy, Inc., Viper Energy Partners LLC, Diamondback E&P LLC, Diamondback Energy, Inc. and Tumbleweed Royalty IV, LLC (incorporated by reference to Exhibit 4.2 of the Company's Current Report on Form 8-K (File 001-36505) filed on October 2, 2024).
4.5*	Third Supplemental Indenture, dated as of October 16, 2024, among King Snake Royalty LLC, Sidewinder Snake Royalty LLC, as the guaranteeing subsidiaries, Viper Energy, Inc., Viper Energy Partners LLC, Queen Snake Royalty LLC, Mamba Royalty LP, Moccasin Royalty LLC and Computershare Trust Company, National Association (successor to Wells Fargo Bank, National Association), as trustee under the indenture, dated as of October 16, 2019, providing for the issuance of 5.375% Senior Notes due 2027.
4.6*	Third Supplemental Indenture, dated as of October 16, 2024, among King Snake Royalty LLC, Sidewinder Snake Royalty LLC, as the guaranteeing subsidiaries, Viper Energy, Inc., Viper Energy Partners LLC, Queen Snake Royalty LLC, Mamba Royalty LP, Moccasin Royalty LLC and Computershare Trust Company, National Association (successor to Wells Fargo Bank, National Association), as trustee under the indenture, dated as of October 19, 2023, providing for the issuance of 7.375% Senior Notes due 2031.
31.1*	Certification of Chief Executive Officer pursuant to Rule 13a-14(a) promulgated under the Securities Exchange Act of 1934, as amended.
31.2*	Certification of Chief Financial Officer pursuant to Rule 13a-14(a) promulgated under the Securities Exchange Act of 1934, as amended.

Exhibit Number	Description
32.1**	Certification of Chief Executive Officer and Chief Financial Officer 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 Registrant's Quarterly Report on Form 10-Q for the quarter ended September 30, 2024, 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).

Schedules (or similar attachments) have been omitted pursuant to Item 601(a)(5) of Regulation S-K and will be provided to the Securities and Exchange Commission upon request.

+ This exhibit has been re-filed with the Securities and Exchange Commission to correct an inadvertent error in Exhibit A thereto and hereby supersedes and replaces Exhibit 3.1 filed with the Company's Current Report on Form 8-K (File 001-36505) on October 2, 2024 in its entirety.

* Filed herewith.

** The certifications attached as Exhibit 32.1 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.

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.

VIPER ENERGY, INC.

By: VIPER ENERGY, INC.

Date: November 7, 2024

By: /s/ Travis D. Stice
Travis D. Stice
Chief Executive Officer

Date: November 7, 2024

By: /s/ Teresa L. Dick
Teresa L. Dick
Chief Financial Officer

Exhibit 3.7
Execution Version

THIRD AMENDED AND RESTATED

LIMITED LIABILITY COMPANY AGREEMENT

OF

VIPER ENERGY PARTNERS LLC

Dated as of October 1, 2024

TABLE OF CONTENTS

		Page
ARTICLE I DEFINITIONS		1
Section 1.1	Definitions	1
Section 1.2	Construction	10
ARTICLE II ORGANIZATION		10
Section 2.1	Formation	10
Section 2.2	Name	10
Section 2.3	Registered Office; Registered Agent; Principal Office; Other Offices	10
Section 2.4	Purpose and Business	11
Section 2.5	Powers	11
Section 2.6	Term	11
Section 2.7	Title to Company Assets	11
ARTICLE III RIGHTS OF MEMBERS		12
Section 3.1	Limitation of Liability	12
Section 3.2	Management of Business	12
Section 3.3	Outside Activities of Members	12
Section 3.4	Rights of Members	12
ARTICLE IV CERTIFICATES; RECORD HOLDERS; TRANSFER OF MEMBERSHIP INTERESTS		12
Section 4.1	Certificates	12
Section 4.2	Unitholders	13
Section 4.3	Record Holders	13
Section 4.4	Transfer by Members	13
Section 4.5	Restrictions on Transfers	14
Section 4.6	TRW IV Restrictions on Transfers	14
ARTICLE V CAPITAL CONTRIBUTIONS AND ISSUANCE OF MEMBERSHIP INTERESTS		15
Section 5.1	Capitalization	15
Section 5.2	Interest and Withdrawal	15
Section 5.3	Capital Accounts	15
Section 5.4	Issuances of Additional Units	18
Section 5.5	Issuances of Securities by the Managing Member	19
Section 5.6	Redemption, Repurchase or Forfeiture of Class A Shares	19

Section 5.7 Issuance of Class B Shares 19
Section 5.8 Fully Paid and Non-Assessable Nature of Units 20

VI ALLOCATIONS AND DISTRIBUTIONS 20

Section 6.1 Allocations for Capital Account Purposes 20
Section 6.2 Allocations for Tax Purposes 24
Section 6.3 Distributions to Record Holders 25

VII MANAGEMENT AND OPERATION OF BUSINESS 26

Section 7.1 Management 26
Section 7.2 Replacement of Fiduciary Duties 27
Section 7.3 Indemnification 27
Section 7.4 Limitation of Liability of Indemnitees 29
Section 7.5 Resolution of Conflicts of Interest; Standards of Conduct and Modification of Duties 30
Section 7.6 Other Matters Concerning the Managing Member 32
Section 7.7 Reliance by Third Parties 32

VIII BOOKS, RECORDS, ACCOUNTING AND REPORTS 33

Section 8.1 Records and Accounting 33
Section 8.2 Fiscal Year 33
Section 8.3 Reports 33

IX TAX MATTERS 33

Section 9.1 Tax Returns and Information 33
Section 9.2 Tax Characterization 33
Section 9.3 Tax Elections 33
Section 9.4 Tax Controversies 34
Section 9.5 Witholding 35

X ADMISSION OF MEMBERS 36

Section 10.1 Admission of New Members 36
Section 10.2 Conditions and Limitations 36

XI WITHDRAWAL OR REMOVAL OF MEMBERS 36

Section 11.1 Member Withdrawal 36
Section 11.2 Removal of the Managing Member 36

XII DISSOLUTION AND LIQUIDATION 36

Section 12.1 Dissolution 36
Section 12.2 Liquidator 37

Section 12.3 Liquidation 37
Section 12.4 Cancellation of Certificate of Formation 38
Section 12.5 Return of Contributions 38
Section 12.6 Waiver of Partition 38
Section 12.7 Capital Account Restoration 38

ARTICLE XIII AMENDMENT OF LIMITED LIABILITY COMPANY AGREEMENT 38

Section 13.1 Amendments 38

XIV GENERAL PROVISIONS 39

Section 14.1 Addresses and Notices; Written Communications 39
Section 14.2 Further Action 40
Section 14.3 Binding Effect 40
Section 14.4 Integration 40
Section 14.5 Creditors 40
Section 14.6 Waiver 40
Section 14.7 Counterparts 40
Section 14.8 Applicable Law; Forum; Venue and Jurisdiction; Waiver of Trial by Jury; Attorney Fees 40
Section 14.9 Invalidity of Provisions 41
Section 14.10 Consent of Members 41
Section 14.11 Facsimile and Email Signatures 42
Section 14.12 Third-Party Beneficiaries 42

THIRD AMENDED AND RESTATED

LIMITED LIABILITY COMPANY AGREEMENT

OF

VIPER ENERGY PARTNERS LLC

A Delaware Limited Liability Company

This Third Amended and Restated Limited Liability Company Agreement (the "***Agreement***") of Viper Energy Partners LLC, dated as of October 1, 2024 (the "***Effective Date***"), is entered into by and among Viper Energy, Inc., a Delaware corporation ("***Viper***"), as Managing Member, Diamondback Energy, Inc., a Delaware corporation ("***Diamondback***"), Diamondback E&P LLC, a Delaware limited liability company ("***Diamondback E&P***"), and Tumbleweed Royalty IV, LLC, a Delaware limited liability company ("***TWR IV***"). In consideration of the covenants, conditions and agreements contained herein, the parties hereto hereby agree as follows:

RECITALS

WHEREAS, prior to the Effective Date the Company was governed by that certain Second Amended and Restated Limited Liability Company Agreement, dated as of May 9, 2018 (as amended, the "***Previous Agreement***");

WHEREAS, Viper Energy Partners LP, a Delaware partnership (the "***Partnership***") filed with the Secretary of State of Delaware to convert its legal form from a limited partnership to a corporation, which conversion was effective on November 13, 2023 (the "***Conversion***"), and pursuant to the Conversion, the Partnership was converted into Viper;

WHEREAS, Viper, Company, TWR IV SellCo Parent, LLC, a Delaware limited liability company, and TWR IV have entered into that certain Purchase and Sale Agreement, dated as of September 11, 2024 (the "***PSA***"), pursuant to which, among other things, the Company agreed to issue to TWR IV Units and amend and restate the Previous Agreement to reflect, among other things, the admission of TWR IV as a Member of the Company;

NOW, THEREFORE, the Previous Agreement is hereby amended and, as so amended, is restated in its entirety as follows:

ARTICLE I
DEFINITIONS

Section 1.1 *Definitions*. The following definitions shall be for all purposes, unless otherwise clearly indicated to the contrary, applied to the terms used in this Agreement.

"***Adjusted Capital Account***" means, with respect to any Member, the balance in such Member's Capital Account at the end of each taxable period of the Company, after giving effect to the following adjustments: (a) credit to such Capital Account any amounts that such Member is obligated to restore under the standards set by Treasury Regulation Section 1.704-1(b)(2)(ii)(c) (or is deemed obligated to restore pursuant to the penultimate sentences

of Treasury Regulation Sections 1.704-2(g)(1) and 1.704-2(i)(5)) and (b) debit to such Capital Account the items described in Treasury Regulation Sections 1.704-1(b)(2)(ii)(d)(4), (5) and (6). The foregoing definition of Adjusted Capital Account is intended to comply with the provisions of Treasury Regulation Section 1.704-1(b)(2)(ii)(d) and shall be interpreted consistently therewith.

"***Adjusted Property***" means any property the Carrying Value of which has been adjusted pursuant to Section 5.3(d).

"***Affiliate***" means, with respect to any Person, any other Person that directly or indirectly through one or more intermediaries Controls, is Controlled by or is under common Control with, the Person in question.

"***Agreed Allocation***" means any allocation, other than a Required Allocation, of an item of income, gain, loss or deduction pursuant to the provisions of Section 6.1, including a Curative Allocation (if appropriate to the context in which the term "***Agreed Allocation***" is used).

"***Agreed Value***" of (a) a Contributed Property means the fair market value of such property or other consideration at the time of contribution and (b) an Adjusted Property means the fair market value of such Adjusted Property on the date of the Revaluation Event, in each case as determined by the Managing Member.

"***Agreement***" has the meaning set forth in the Preamble to this Agreement.

"***Associate***" means, when used to indicate a relationship with any Person, (a) any corporation or organization of which such Person is a director, officer, manager, general partner or managing member or is, directly or indirectly, the owner of 20% or more of any class of voting stock or other voting interest, (b) any trust or other estate in which such Person has at least a 20% beneficial interest or as to which such Person serves as trustee or in a similar fiduciary capacity, and (c) any relative or spouse of such Person, or any relative of such spouse, who has the same principal residence as such Person.

"***Bad Faith***" means, with respect to any determination, action or omission, of any Person, board or committee, that such Person, board or committee reached such determination, or engaged in or failed to engage in such act or omission, with the belief that such determination, action or omission was adverse to the interest of the Company.

"***Book-Tax Disparity***" means, with respect to any item of Contributed Property or Adjusted Property, as of the date of any determination, the difference between the Carrying Value of such Contributed Property or Adjusted Property and the adjusted basis thereof for U.S. federal income tax purposes as of such date. A Member's share of the Company's Book-Tax Disparities in all of its Contributed Property and Adjusted Property will be reflected by the difference between such Member's Capital Account balance as maintained pursuant to Section 5.3 and the hypothetical balance of such Member's Capital Account computed as if it had been maintained strictly in accordance with U.S. federal income tax accounting principles.

"***Business Day***" means Monday through Friday of each week, except that a legal holiday recognized as such by the government of the United States of America or the State of Texas shall not be regarded as a Business Day.

"***Capital Account***" means the capital account maintained for a Member pursuant to Section 5.3.

"***Capital Contribution***" means any cash, cash equivalents or the Net Agreed Value of Contributed Property that a Member contributes to the Company or that is contributed or deemed contributed to the Company on behalf of a Member (including in the case of an underwritten offering of Class A Shares, the amount of any underwriting discounts and commissions).

"***Carrying Value***" means (a) with respect to a Contributed Property or Adjusted Property, the Agreed Value of such property reduced (but not below zero) by all depreciation, Simulated Depletion, amortization and other cost recovery deductions charged to the Members' Capital Accounts in respect of such property and (b) with respect to any other Company property, the adjusted basis of such property for federal income tax purposes, all as of the time of determination. In the case of any oil and gas property (as defined in Section 614 of the Code), adjusted basis shall be determined pursuant to Treasury Regulation Section 1.613A-3(e)(3)(iii)(C). The Carrying Value of any property shall be adjusted from time to time in accordance with Section 5.3(d) and to reflect changes, additions or other adjustments to the Carrying Value for dispositions and acquisitions of Company properties, as deemed appropriate by the Managing Member.

"***Certificate***" means a certificate, in such form as may be adopted by the Managing Member, issued by the Company evidencing ownership of one or more classes of Membership Interests.

"***Certificate of Formation***" means the Certificate of Formation of the Company filed with the Secretary of State of the State of Delaware on September 18, 2013, as such Certificate of Formation may be amended, supplemented or restated from time to time.

"***Class A Share***" means a share of Class A common stock, par value $0.000001 per share, of Viper.

"***Class B Common Stock Option Agreement***" means the Class B Common Stock Option Agreement, dated as of the Effective Date by and between Viper, the Company and TWR IV.

"***Class B Share***" means a share of Class B common stock, par value $0.000001 per share, of Viper.

"***Code***" means the U.S. Internal Revenue Code of 1986, as amended and in effect from time to time. Any reference herein to a specific section or sections of the Code shall be deemed to include a reference to any corresponding provision of any successor law.

"***Commission***" means the United States Securities and Exchange Commission.

"***Company***" means Viper Energy Partners LLC, a Delaware limited liability company.

"***Company Group***" means, collectively, the Company and its Subsidiaries.

"***Company Minimum Gain***" means that amount determined in accordance with the principles of Treasury Regulation Sections 1.704-2(b)(2) and 1.704-2(d).

"***Contributed Property***" means each property or other asset, in such form as may be permitted by the Delaware Act, but excluding cash, contributed or deemed contributed to the Company. Once the Carrying Value of a Contributed Property is adjusted pursuant to Section 5.3(d), such property or other asset shall no longer constitute a Contributed Property, but shall be deemed an Adjusted Property.

"***Control***" or "***control***" (including the terms "***controlled***" or "***controlling***") means the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of a Person, whether through ownership of voting securities, by contract or otherwise.

"***Conversion***" has the meaning set forth in the Recitals.

"***Curative Allocation***" means any allocation of an item of income, gain, deduction, loss or credit pursuant to the provisions of Section 6.1(c)(xii).

"***Delaware Act***" means the Delaware Limited Liability Company Act, 6 Del C. Section 18-101, et seq., as amended, supplemented or restated from time to time, and any successor to such statute.

"***Diamondback***" has the meaning set forth in the Preamble to this Agreement.

"***Diamondback E&P***" has the meaning set forth in the Preamble to this Agreement.

"***Economic Risk of Loss***" has the meaning set forth in Treasury Regulation Section 1.752-2(a).

"***Effective Date***" has the meaning set forth in the Preamble to this Agreement.

"***Exchange Agreement***" means the Second Amended & Restated Exchange Agreement, dated as of the Effective Date by and among Viper, Diamondback, Diamondback E&P, the Company and TWR IV.

"***Good Faith***" means, with respect to any determination, action or omission, of any Person, board or committee, that such determination, action or omission was not taken in Bad Faith.

"***Gross Liability Value***" means, with respect to any Liability of the Company described in Treasury Regulation Section 1.752-7(b)(3)(i), the amount of cash that a willing assignor would pay to a willing assignee to assume such Liability in an arm's-length transaction.

"***Group***" means two or more Persons that, with or through any of their respective Affiliates or Associates, have any contract, arrangement, understanding or relationship for the purpose of acquiring, holding, voting (except voting pursuant to a revocable proxy or consent given to such Person in response to a proxy or consent solicitation made to 10 or more Persons), exercising investment power over or disposing of any Membership Interests with any other Person that beneficially owns, or whose Affiliates or Associates beneficially own, directly or indirectly, Membership Interests.

"***Group Member***" means a member of the Company Group.

"***Group Member Agreement***" means the partnership agreement of any Group Member that is a limited or general partnership, the limited liability company agreement of any Group Member that is a limited liability company, other than the Company, the certificate of incorporation and bylaws or similar organizational documents of any Group Member that is a corporation, the joint venture agreement or similar governing document of any Group Member that is a joint venture and the governing or organizational or similar documents of any other Group Member that is a Person other than a limited or general partnership, limited liability company, corporation or joint venture, as such may be amended, supplemented or restated from time to time.

"***Indemnitee***" means (a) any Member, (b) any Person who is or was an Affiliate of such Member, (c) any Person who is or was a manager, managing member, general partner, director, officer, employee, agent, fiduciary or trustee of any Group Member, a Member or any of their respective Affiliates, (d) any Person who is or was serving at the request of a Managing Member or any of its Affiliates as an officer, director, manager, managing member, general partner, employee, agent, fiduciary or trustee of another Person owing a fiduciary or similar duty to any Group Member; *provided* that a Person shall not be an Indemnitee by reason of providing, on a fee-for-services basis, trustee, fiduciary or custodial services, (e) any Person who controls a Member and (f) any Person the Managing Member designates as an "Indemnitee" for purposes of this Agreement because such Person's service, status or relationship exposes such Person to potential claims, demands, actions, suits or proceedings relating to the Company Group's business and affairs.

"***Liability***" means any liability or obligation of any nature, whether accrued, contingent or otherwise.

"***Liquidation Date***" means the date on which any event giving rise to the dissolution of the Company occurs.

"***Liquidator***" means one or more Persons selected by the Managing Member to perform the functions described in Section 12.2 as liquidating trustee of the Company within the meaning of the Delaware Act.

"***Lockup Expiration Date***" means the date that is six months after the Effective Date.

"***Managing Member***" means Viper and its successors and permitted assigns that are admitted to the Company as the managing member of the Company, in its capacity as the managing member of the Company. The Managing Member is the sole managing member of the Company and the holder of the Managing Member Interest.

"***Managing Member Interest***" means the interest of the Managing Member in the Company (in its capacity as managing member without reference to any Membership Interest), evidenced by Units held by the Managing Member, and includes any and all rights, powers and benefits to which the Managing Member is entitled as provided in this Agreement, together with all obligations of the Managing Member to comply with the terms and provisions of this Agreement.

"***Member***" means any of the Managing Member and the Non-Managing Members.

"***Member Nonrecourse Debt***" has the meaning set forth in Treasury Regulation Section 1.704-2(b)(4).

"***Member Nonrecourse Debt Minimum Gain***" has the meaning set forth in Treasury Regulation Section 1.704-2(i)(2).

"***Member Nonrecourse Deductions***" means any and all items of loss, deduction or expenditure (including any expenditure described in Section 705(a)(2)(B) of the Code), Simulated Depletion or Simulated Loss that, in accordance with the principles of Treasury Regulation Section 1.704-2(i), are attributable to a Member Nonrecourse Debt.

"***Membership Interest***" means, as applicable, the Managing Member Interest and any Non-Managing Member Interests.

"***National Securities Exchange***" means an exchange registered with the Commission under Section 6(a) of the Securities Exchange Act (or any successor to such Section) and any other securities exchange (whether or not registered with the Commission under Section 6(a) of the Securities Exchange Act (or successor to such Section)) that the Managing Member shall designate as a National Securities Exchange for purposes of this Agreement.

"***Net Agreed Value***" means, (a) in the case of any Contributed Property, the Agreed Value of such Contributed Property reduced by any Liabilities either assumed by the Company upon such contribution or to which such Contributed Property is subject when contributed and (b) in the case of any property distributed to a Member by the Company, the Company's Carrying Value of such property (as adjusted pursuant to Section 5.3(d)) at the time such property is distributed, reduced by any Liabilities either assumed by such Member upon such distribution or to which such property is subject at the time of distribution, in either case as determined and required by the Treasury Regulations promulgated under Section 704(b) of the Code.

"***Net Income***" means, for any taxable period, the excess, if any, of the Company's items of income and gain for such taxable period over the Company's items of loss and deduction for such taxable period. The items included in the calculation of Net Income shall be determined in accordance with Section 5.3(b) and shall include Simulated Gain (as provided in Section 6.1(c)(iii)), but shall not include Simulated Depletion, Simulated Loss or items specially allocated under Section 6.1(b).

"***Net Loss***" means, for any taxable period, the excess, if any, of the Company's items of loss and deduction for such taxable period over the Company's items of income and gain for such taxable period. The items included in the calculation of Net Loss shall be determined in accordance with Section 5.3(b) and shall include Simulated Gain (as provided in Section

6.1(c)(iii)), but shall not include Simulated Depletion, Simulated Loss or any items specially allocated under Section 6.1(b).

"***Non-Managing Member***" means Diamondback, Diamondback E&P, TWR IV, and each additional Person other than the Managing Member that owns one or more Units.

"***Non-Managing Member Interest***" means an interest of a Non-Managing Member in the Company, evidenced by Units held by such Non-Managing Member, and includes any and all benefits to which such Member is entitled as provided in this Agreement, together with all obligations of such Member pursuant to the terms and provisions of this Agreement.

"***Noncompensatory Option***" has the meaning set forth in Treasury Regulation Section 1.721-2(f).

"***Nonrecourse Built-in Gain***" means with respect to any Contributed Properties or Adjusted Properties that are subject to a mortgage or pledge securing a Nonrecourse Liability, the amount of any taxable gain that would be allocated to the Members pursuant to Section 6.2(c) if such properties were disposed of in a taxable transaction in full satisfaction of such liabilities and for no other consideration.

"***Nonrecourse Deductions***" means any and all items of loss, deduction or expenditure (including any expenditure described in Section 705(a)(2)(B) of the Code), Simulated Depletion or Simulated Loss that, in accordance with the principles of Treasury Regulation Section 1.704-2(b)(1), are attributable to a Nonrecourse Liability.

"***Nonrecourse Liability***" has the meaning set forth in Treasury Regulation Section 1.752-1(a)(2).

"***Outstanding***" means, with respect to Membership Interests, all Membership Interests that are issued by the Company and reflected as outstanding on the books and records as of the date of determination; *provided* that any Unit held by a Non-Managing Member shall not be entitled to vote and shall not be considered to be Outstanding for voting purposes under this Agreement.

"***Partnership***" has the meaning set forth in the Recitals.

"Partnership Representative" has the meaning set forth in Section 9.4(a).

"***Percentage Interest***" means as of any date of determination as to any Unitholder with respect to Units, the quotient obtained by dividing (i) the number of Units held by such Unitholder by (ii) the total number of Outstanding Units.

"***Person***" means an individual or a corporation, firm, limited liability company, partnership, joint venture, trust, unincorporated organization, association, government agency or political subdivision thereof or other entity.

"***Previous Agreement***" has the meaning set forth in the Recitals.

"***Pro Rata***" means (a) when used with respect to Units or any class thereof, apportioned among all designated Units in accordance with their relative Percentage Interests

and (b) when used with respect to Members or Record Holders, apportioned among all Members or Record Holders in accordance with their relative Percentage Interests.

"***PSA***" has the meaning set forth in the Recitals.

"***Quarter***" means, unless the context requires otherwise, a fiscal quarter of the Company.

"***Recapture Income***" means any gain recognized by the Company (computed without regard to any adjustment required by Section 734 or Section 743 of the Code) upon the disposition of any property or asset of the Company, which gain is characterized as ordinary income because it represents the recapture of deductions previously taken with respect to such property or asset.

"***Record Date***" means the date established by the Managing Member or otherwise in accordance with this Agreement for determining the identity of Record Holders entitled to receive any report or distribution or to participate in any offer.

"***Record Holder***" means the Person in whose name any Membership Interest is registered in the books and records of the Company as of the Company's close of business on a particular Business Day.

"***Required Allocations***" means any allocation of an item of income, gain, loss or deduction pursuant to Section 6.1(b)(i), 6.1(b)(ii), 6.1(b)(iv), 6.1(b)(v), 6.1(b)(vi), 6.1(b)(vii), 6.1(b)(ix) and 6.1(c).

"***Revaluation Event***" means an event that results in an adjustment of the Carrying Value of each Company property pursuant to Section 5.3(d).

"***Securities Exchange Act***" means the Securities Exchange Act of 1934, as amended, supplemented or restated from time to time, and any successor to such statute.

"***Simulated Basis***" means the Carrying Value of any oil and gas property (as defined in Section 614 of the Code).

"***Simulated Depletion***" means, with respect to an oil and gas property (as defined in Section 614 of the Code), a depletion allowance computed in accordance with federal income tax principles set forth in Treasury Regulation Section 1.611-2(a)(1) (as if the Simulated Basis of the property was its adjusted tax basis) and in the manner specified in Treasury Regulation Section 1.704-1(b)(2)(iv)(k)(2), applying the cost depletion method. For purposes of computing Simulated Depletion with respect to any oil and gas property (as defined in Section 614 of the Code), the Simulated Basis of such property shall be deemed to be the Carrying Value of such property, and in no event shall such allowance for Simulated Depletion, in the aggregate, exceed such Simulated Basis. If the Carrying Value of an oil and gas property is adjusted pursuant to Section 5.3(d) during a taxable period, following such adjustment Simulated Depletion shall thereafter be calculated under the foregoing provisions based upon such adjusted Carrying Value.

"***Simulated Gain***" means the excess, if any, of the amount realized from the sale or other disposition of an oil or gas property (as defined in Section 614 of the Code) over the

Carrying Value of such property and determined pursuant to Treasury Regulation Section 1.704-1(b)(2)(iv)(k)(2).

"***Simulated Loss***" means the excess, if any, of the Carrying Value of an oil or gas property (as defined in Section 614 of the Code) over the amount realized from the sale or other disposition of such property and determined pursuant to Treasury Regulation Section 1.704-1(b)(2)(iv)(k)(2).

"***Subsidiary***" means, with respect to any Person, (a) a corporation of which more than 50% of the voting power of shares entitled (without regard to the occurrence of any contingency) to vote in the election of directors or other governing body of such corporation is owned, directly or indirectly, at the date of determination, by such Person, by one or more Subsidiaries of such Person or a combination thereof, (b) a partnership (whether general or limited) in which such Person or a Subsidiary of such Person is, at the date of determination, a general partner of such partnership, but only if such Person, directly or by one or more Subsidiaries of such Person, or a combination thereof, controls such partnership, directly or indirectly, at the date of determination or (c) any other Person in which such Person, one or more Subsidiaries of such Person, or a combination thereof, directly or indirectly, at the date of determination, has (i) a majority ownership interest or (ii) the power to elect or direct the election of a majority of the directors or other governing body of such Person.

"***Tax Election***" has the meaning set forth in the Recitals.

"***Tax Matters Partner***" has the meaning set forth inSection 9.4(a).

"***transfer***" has the meaning set forth inSection 4.4(a).

"***Treasury Regulations***" means the regulations (including temporary regulations) promulgated by the United States Department of the Treasury pursuant to and in respect of provisions of the Code. All references herein to sections of the Treasury Regulations shall include any corresponding provision or provisions of succeeding, similar or substitute, temporary or final Treasury Regulations.

"***TWR IV***" has the meaning set forth in the Preamble to this Agreement.

"***Unit***" means a limited liability company interest in the Company having the rights and obligations specified with respect to "Units" in this Agreement; *provided* that any Unit held by a Non-Managing Member shall not be entitled to vote and shall not be considered to be Outstanding for voting purposes under this Agreement.

"***Unitholders***" means the Record Holders of Units.

"***Unrealized Gain***" means, as of any date of determination, the excess, if any, attributable to any item of Company property, of (a) the fair market value of such property as of such date (as determined under Section 5.3(d)) over (b) the Carrying Value of such property as of such date (prior to any adjustment to be made pursuant to Section 5.3(d) as of such date).

"***Unrealized Loss***" means, as of any date of determination, the excess, if any, attributable to any item of Company property, of (a) the Carrying Value of such property as

of such date (prior to any adjustment to be made pursuant to Section 5.3(d) as of such date) over (b) the fair market value of such property as of such date (as determined under Section 5.3(d)).

"***U.S. GAAP***" means United States generally accepted accounting principles, as in effect from time to time, consistently applied.

"***Viper***" has the meaning set forth in the Preamble to this Agreement.

Section 1.2 *Construction*. Unless the context requires otherwise: (a) any pronoun used in this Agreement shall include the corresponding masculine, feminine or neuter forms; (b) references to Articles and Sections refer to Articles and Sections of this Agreement; (c) the terms "include," "includes," "including" and words of like import shall be deemed to be followed by the words "without limitation"; and (d) the terms "hereof," "herein" and "hereunder" refer to this Agreement as a whole and not to any particular provision of this Agreement. The table of contents and headings contained in this Agreement are for reference purposes only, and shall not affect in any way the meaning or interpretation of this Agreement. The Managing Member has the power to construe and interpret this Agreement and to act upon any such construction or interpretation. Any construction or interpretation of this Agreement by the Managing Member and any action taken pursuant thereto and any determination made by the Managing Member in good faith shall, in each case, be conclusive and binding on all Record Holders and all other Persons for all purposes.

ARTICLE II
ORGANIZATION

Section 2.1 *Formation*. The Company was formed as a limited liability company pursuant to the provisions of the Delaware Act. The Members hereby amend and restate the Previous Agreement in its entirety, effective as of the date of this Agreement. Except as expressly provided to the contrary in this Agreement, the rights, duties, liabilities and obligations of the Members and the administration, dissolution and termination of the Company shall be governed by the Delaware Act.

Section 2.2 *Name*. The name of the Company shall be "Viper Energy Partners LLC". Subject to applicable law, the Company's business may be conducted under any other name or names as determined by the Managing Member, including the name of the Managing Member. The words "limited liability company," "LLC" or similar words or letters shall be included in the Company's name where necessary for the purpose of complying with the laws of any jurisdiction that so requires. The Managing Member may change the name of the Company at any time and from time to time and shall notify the Non-Managing Member(s) of such change in the next regular communication to the Non-Managing Member(s).

Section 2.3 *Registered Office; Registered Agent; Principal Office; Other Office*s Unless and until changed by the Managing Member, the registered office of the Company in the State of Delaware shall be located at 251 Little Falls Drive, Wilmington, Delaware 19808, and the registered agent for service of process on the Company in the State of Delaware at such registered office shall be Corporation Service Company. The principal office of the Company shall be located at 500 West Texas Avenue, Suite 100, Midland, Texas 79701 or such other place as the Managing Member may from time to time designate

by notice to the other Members. The Company may maintain offices at such other place or places within or outside the State of Delaware as the Managing Member determines to be necessary or appropriate. The address of the Managing Member shall be 500 West Texas Avenue, Suite 100, Midland, Texas 79701 or such other place as the Managing Member may from time to time designate by notice to the other Members.

Section 2.4 *Purpose and Business*. The purpose and nature of the business to be conducted by the Company shall be to (a) engage directly in, or enter into or form, hold and dispose of any corporation, partnership, joint venture, limited liability company or other arrangement to engage indirectly in, any business activity that is approved by the Managing Member, in its sole discretion, and that lawfully may be conducted by a limited liability company organized pursuant to the Delaware Act and, in connection therewith, to exercise all of the rights and powers conferred upon the Company pursuant to the agreements relating to such business activity, and (b) do anything necessary or appropriate to the foregoing, including the making of capital contributions or loans to a Group Member; *provided, however*, that the Managing Member shall not cause the Company to engage, directly or indirectly, in any business activity that the Managing Member determines would be reasonably likely to cause the Company to be treated as an association taxable as a corporation or otherwise taxable as an entity for federal income tax purposes. The Managing Member has no obligation or duty (including any fiduciary duty) to the Company or the other Members to propose or approve, and may decline to propose or approve, the conduct by the Company of any business in its sole discretion.

Section 2.5 *Powers*. The Company shall be empowered to do any and all acts and things necessary, appropriate, proper, advisable, incidental to or convenient for the furtherance and accomplishment of the purposes and business described in Section 2.4 and for the protection and benefit of the Company.

Section 2.6 *Term*. The term of the Company commenced upon the filing of the Certificate of Formation in accordance with the Delaware Act and shall continue in existence until the dissolution of the Company in accordance with the provisions of Article XII. The existence of the Company as a separate legal entity shall continue until the cancellation of the Certificate of Formation as provided in the Delaware Act.

Section 2.7 *Title to Company Assets*. Title to the assets of the Company, whether real, personal or mixed and whether tangible or intangible, shall be deemed to be owned by the Company as an entity, and no Member, individually or collectively, shall have any ownership interest in such assets of the Company or any portion thereof. Title to any or all assets of the Company may be held in the name of the Company, the Managing Member, one or more of its Affiliates or one or more nominees of the Managing Member or its Affiliates, as the Managing Member may determine. The Managing Member hereby declares and warrants that any assets of the Company for which record title is held in the name of the Managing Member or one or more of its Affiliates or one or more nominees of the Managing Member or its Affiliates shall be held by the Managing Member or such Affiliate or nominee for the use and benefit of the Company in accordance with the provisions of this Agreement; *provided, however*, that the Managing Member shall use reasonable efforts to cause record title to such assets (other than those assets in respect of which the Managing Member determines that the expense and difficulty of conveyancing makes transfer of record title to the Company impracticable) to be vested in the Company or one or more of the Company's

designated Affiliates as soon as reasonably practicable; *provided, further*, that, prior to the withdrawal or removal of the Managing Member or as soon thereafter as practicable, the Managing Member shall use reasonable efforts to effect the transfer of record title to the Company and, prior to any such transfer, will provide for the use of such assets in a manner satisfactory to any successor Managing Member. All assets of the Company shall be recorded as the property of the Company in its books and records, irrespective of the name in which record title to such assets of the Company is held.

ARTICLE III
RIGHTS OF MEMBERS

Section 3.1 *Limitation of Liability*. The Members shall have no liability under this Agreement except as expressly provided in this Agreement or the Delaware Act.

Section 3.2 *Management of Business*. Other than the Managing Member, no Member, in its capacity as such, shall participate in the operation, management or control of the Company's business, transact any business in the Company's name or have the power to sign documents for or otherwise bind the Company.

Section 3.3 *Outside Activities of Members*. Each Member shall be entitled to and may have business interests and engage in business activities in addition to those relating to the Company, including business interests and activities in direct competition with the Company Group. Neither the Company nor any of the other Members shall have any rights by virtue of this Agreement in any business ventures of any Member.

Section 3.4 *Rights of Members*.

(a) Each Member shall have the right, upon written request and at such Member's own expense to obtain a copy of this Agreement and the Certificate of Formation and all amendments thereto.

(b) Each of the Members and each other Person or Group who acquires an interest in Membership Interests hereby agrees to the fullest extent permitted by law that they do not have any rights as Members to receive any information either pursuant to Section 18-305(a) of the Delaware Act or otherwise except for the right to obtain a copy of this Agreement and the Certificate of Formation set forth in Section 3.4(a).

ARTICLE IV
CERTIFICATES; RECORD HOLDERS; TRANSFER OF MEMBERSHIP INTERESTS

Section 4.1 *Certificates*. Notwithstanding anything to the contrary in this Agreement, unless the Managing Member shall determine otherwise in respect of some or all of any or all classes of Membership Interests, Membership Interests shall not be evidenced by certificates. Certificates that are issued, if any, shall be executed on behalf of the Company by the President, Chief Executive Officer or any Vice President and the Chief Financial Officer or the Secretary or any Assistant Secretary of the Company, or by the Managing Member.

Section 4.2 *Unitholders*. The names and addresses of the Members and number of Units of the Members are set forth on Exhibit A attached hereto and incorporated herein. The Managing Member is hereby authorized to complete or amend Exhibit A from time to time to reflect the admission of Members, the withdrawal of a Member, the forfeiture of some or all of the interests of a Member, the transfer of any Membership Interests, and the change of address and other information called for by Exhibit A related to any Member, and to correct, update or amendExhibit A at any time and from time to time. Such completion, correction or amendment may be made from time to time as and when the Managing Member considers it appropriate.

Section 4.3 *Record Holders*. The Company and the Managing Member shall be entitled to recognize the Record Holder as the Member with respect to any Membership Interest and, accordingly, shall not be bound to recognize any equitable or other claim to, or interest in, such Membership Interest on the part of any other Person, regardless of whether the Company shall have actual or other notice thereof, except as otherwise provided by law.

Section 4.4 *Transfer by Members*.

(a) The term "***transfer***," when used in this Agreement with respect to a Membership Interest, shall mean a transaction by which the holder of a Membership Interest assigns all or any part of such Membership Interest to another Person who is or becomes a Member as a result thereof, and includes a sale, assignment, gift, exchange or any other disposition by law or otherwise (but not, in the case of the Membership Interests owned by the Managing Member, the pledge, grant of security interest, encumbrance, hypothecation or mortgage), including any transfer upon foreclosure or other exercise of remedies of any pledge, security interest, encumbrance, hypothecation or mortgage. For the avoidance of doubt, the Managing Member is permitted to pledge, encumber and/or grant a lien or other security interest in any or all of its Units.

(b) Except as expressly permitted by this Article IV, no Member may transfer all or any portion of its Units or other Membership Interests except with the written consent of the Managing Member (which may be granted or withheld in the Managing Member's sole discretion); *provided, further*, that notwithstanding the foregoing and in addition to the requirements of Section 4.5, a Non-Managing Member may not transfer any of such Member's Units (other than pursuant to and in accordance with the Exchange Agreement) unless the Company provides a written determination in Good Faith based on the most current practically available geological data that there is sufficient Unrealized Gain or Unrealized Loss (or to the extent necessary, items thereof) attributable to the Company assets to make an allocation pursuant to Section 6.1(b)(x) to cause the Capital Account balances of the Members to be equal to the same ratio as the Members' Percentage Interests immediately prior to such transfer.

(c) Subject to the other provisions of thisArticle IV, any Non-Managing Member may exchange any of its Units for Class A Shares at any time and from time to time pursuant to the terms of the Exchange Agreement.

(d) Unless the Managing Member determines in Good Faith that a proposed transfer would violate Section 4.4 or Section 4.5, the Managing Member shall be deemed to have consented to a transfer of Units by (i) a Non-Managing Member to another Non-Managing Member or to an Affiliate of Diamondback or, (ii) solely with respect to TWR IV, to any single Affiliate of TWR IV, it being understood that in no event shall more than one Person hold such Units; *provided*, that in connection with any such transfer, the transferor shall transfer an equivalent number of Class B Shares (with respect to TWR IV, solely to the extent TWR IV has exercised its option to acquire any corresponding Class B Shares pursuant to the Class B Common Stock Option Agreement and such Class B Shares remain outstanding) to the transferee, in accordance with the terms of Viper's governing documents.

(e) Any purported transfer of all or a portion of a Member's Units or other Membership Interests not complying with this Article IV shall be void and shall not create any obligation on the part of the Company or the other Members to recognize that transfer or to deal with the Person to which the transfer purportedly was made.

Section 4.5 *Restrictions on Transfers*.

(a) Notwithstanding the other provisions of this Article IV, no transfer of any Membership Interests shall be made if such transfer would (A) violate the then-applicable federal or state securities laws or rules and regulations of the Commission, any state securities commission or any other governmental authority with jurisdiction over such transfer, (B) terminate the existence or qualification of the Company under the laws of the jurisdiction of its formation; or (C) cause the Company to be treated as an association taxable as a corporation or otherwise to be taxed as an entity for U.S. federal income tax purposes (to the extent not already so treated or taxed).

(b) The Managing Member may impose restrictions on the transfer of Membership Interests if it receives written advice of counsel that such restrictions are necessary or advisable to avoid a significant risk of the Company's becoming taxable as a corporation or otherwise becoming taxable as an entity for federal income tax purposes (to the extent not already so treated or taxed). The Managing Member may impose such restrictions by amending this Agreement.

Section 4.6 *TRW IV Restrictions on Transfers*.

(a) Notwithstanding the other provisions of this Article IV, but subject to Section 4.6(c), TWR IV shall not transfer any of its Units (or take any action that would constitute a transfer if the transferee were admitted as a Member) other than (i) after the Lockup Expiration Date in exchange for Class A Shares pursuant to, and in accordance with, the Exchange Agreement or (ii) as permitted under Section 4.4(d).

(b) In addition to the restrictions on transfer set forth in this Agreement, but subject to Section 4.6(c), for a period commencing on the Effective Date and ending on the Lockup Expiration Date, TWR IV shall not (and shall not permit any of its Affiliates to) (i) offer for sale, sell, pledge, lend, or otherwise dispose of (or enter into any transaction or device that is designed to, or could be expected to, result in the disposition by any Person at any time in the future of) any Units, (ii) enter into any

swap or other derivatives transaction that transfers to another, in whole or in part, any of the economic benefits or risks of ownership of such Units, whether any such transaction described in clause (i) or (ii) above is to be settled by delivery of Class A Shares or other securities, in cash or otherwise, or (iii) publicly disclose the intention to do any of the foregoing.

(c) For the avoidance of doubt, nothing in this Agreement shall prohibit or otherwise limit transfers of equity interest in any direct or indirect equity holder (including EnCap Investments, L.P. and its Affiliates) of TWR IV, except to the extent the purpose of such transfer is to enter into a transaction with respect to Units or Class A Shares that would be prohibited pursuant to Section 4.6(a) or (b).

ARTICLE V
CAPITAL CONTRIBUTIONS AND ISSUANCE OF MEMBERSHIP INTERESTS

Section 5.1 *Capitalization*. On and as of the Effective Date, the Members and number of Units of the Members are set forth on Exhibit A attached hereto and incorporated herein.

Section 5.2 *Interest and Withdrawal*. No interest shall be paid by the Company on Capital Contributions. No Member shall be entitled to the withdrawal or return of its Capital Contribution, except to the extent, if any, that distributions made pursuant to this Agreement or upon termination of the Company may be considered as such by law and then only to the extent provided for in this Agreement. Except to the extent expressly provided in this Agreement, no Member shall have priority over any other Member either as to the return of Capital Contributions or as to profits, losses or distributions.

Section 5.3 *Capital Accounts*.

(a) (i) The Company shall maintain for each Member (or a beneficial owner of Membership Interests held by a nominee, agent or representative in any case in which such nominee, agent or representative has furnished the identity of such beneficial owner to the Company in accordance with Section 6031(c) of the Code or any other method acceptable to the Managing Member) owning a Membership Interest a separate Capital Account with respect to such Membership Interest in accordance with the rules of Treasury Regulation Section 1.704-1(b)(2)(iv). The Capital Account shall in respect of each such Membership Interest be increased by (i) the amount of all Capital Contributions made to the Company with respect to such Membership Interest (including the amount paid to the Company for any Noncompensatory Option), (ii) all items of Company income and gain (including income and gain exempt from tax) computed in accordance with Section 5.3(b) and allocated with respect to such Membership Interest pursuant to Section 6.1, and (iii) the portion of any amount realized from the disposition of an oil and gas property that constitutes Simulated Gain allocated with respect to such Membership Interest in accordance with Section 6.1(c)(iii) and decreased by (x) the amount of cash or Net Agreed Value of all actual and deemed distributions of cash or property made with respect to such Membership Interest, (y) all items of Company deduction and loss computed in accordance

with Section 5.3(b) and allocated with respect to such Membership Interest pursuant to Section 6.1, and (z) Simulated Depletion and Simulated Loss in accordance with Section 6.1(c)(ii).

(ii) The Capital Account balance of each Member on the date hereof is shown on Schedule 5.3(a).

(b) For purposes of computing the amount of any item of income, gain, loss, deduction, Simulated Depletion, Simulated Gain or Simulated Loss that is to be allocated pursuant to Article VI and is to be reflected in the Members' Capital Accounts, the determination, recognition and classification of any such item shall be the same as its determination, recognition and classification for federal income tax purposes (including any method of depreciation, cost recovery or amortization used for that purpose), *provided, that*:

(i) Solely for purposes of this Section 5.3, the Managing Member in its discretion may treat the Company as owning directly its share (as determined by the Managing Member based upon the provisions of the applicable Group Member Agreement or governing, organizational or similar documents) of all property owned by (x) any other Group Member that is classified as a partnership for federal income tax purposes and (y) any other partnership, limited liability company, unincorporated business or other entity classified as a partnership for federal income tax purposes of which a Group Member is, directly or indirectly, a partner, member or other equity holder.

(ii) All fees and other expenses incurred by the Company to promote the sale of (or to sell) a Membership Interest that can neither be deducted nor amortized under Section 709 of the Code, if any, shall, for purposes of Capital Account maintenance, be treated as an item of deduction at the time such fees and other expenses are incurred and shall be allocated among the Members pursuant to Section 6.1.

(iii) The computation of all items of income, gain, loss, deduction, Simulated Depletion, Simulated Gain or Simulated Loss shall be made (x) except as otherwise provided in Treasury Regulation Section 1.704-1(b)(2)(iv)(m), without regard to any election under Section 754 of the Code that may be made by the Company and (y) as to those items described in Section 705(a)(1)(B) or 705(a)(2)(B) of the Code, without regard to the fact that such items are not includable in gross income or are neither currently deductible nor capitalized for U.S. federal income tax purposes.

(iv) To the extent an adjustment to the adjusted basis of any Company asset pursuant to Section 734(b) of the Code (including pursuant to Treasury Regulation Section 1.734-2(b)(1)) is required, pursuant to Treasury Regulation Section 1.704-1(b)(2)(iv)(m), to be taken into account in determining Capital Accounts, the amount of such adjustment in the Capital Accounts shall be treated as an item of gain or loss.

(v) In the event the Carrying Value of Company property is adjusted pursuant to Section 5.3(d), any Unrealized Gain resulting from such adjustment shall be treated as an item of gain and any Unrealized Loss resulting from such adjustment shall be treated as an item of loss.

(vi) Any income, gain, loss Simulated Gain or Simulated Loss attributable to the taxable disposition of any Company property shall be determined as if the adjusted basis of such property as of such date of disposition were equal in amount to the Company's Carrying Value with respect to such property as of such date.

(vii) Any deductions for depreciation, amortization or other cost recovery attributable to any Contributed Property or Adjusted Property shall be determined using any reasonable method selected by the Managing Member in accordance with Section 704(c) and the Treasury Regulations and Section 6.2(c). Simulated Depletion will be computed in accordance with the provisions of the definition of Simulated Depletion.

(viii) The Gross Liability Value of each Liability of the Company described in Treasury Regulation Section 1.752-7(b)(3)(i) shall be adjusted at such times as provided in this Agreement for an adjustment to Carrying Values. The amount of any such adjustment shall be treated for purposes hereof as an item of loss (if the adjustment increases the Carrying Value of such Liability of the Company) or an item of gain (if the adjustment decreases the Carrying Value of such Liability of the Company).

(c) A transferee of a Membership Interest shall succeed to a Pro Rata portion of the Capital Account of the transferor relating to the Membership Interest so transferred.

(d) (i) In accordance with Treasury Regulation Section 1.704-1(b)(2)(iv)(f) and 1.704-1(b)(2)(iv)(h)(2), on an issuance of any Membership Interests for cash or Contributed Property, on an issuance of a Noncompensatory Option or the issuance of Membership Interests as consideration for the provision of services, the Capital Account of each Member and the Carrying Value of each Company property immediately prior to such issuance shall be adjusted upward or downward to reflect any Unrealized Gain or Unrealized Loss attributable to such Company property; *provided, however*, that in the event of the issuance of a Membership Interest pursuant to the exercise of a Noncompensatory Option where the right to share in Company capital represented by such Membership Interest differs from the consideration paid to acquire and exercise such option, the Carrying Value of each Company property immediately after the issuance of such Membership Interest shall be adjusted upward or downward to reflect any Unrealized Gain or Unrealized Loss attributable to such Company property and the Capital Accounts of the Members shall be adjusted in a manner consistent with Treasury Regulation Section 1.704-1(b)(2)(iv)(s); *provided further, however*, that in the event of an issuance of Membership Interests for a de minimis amount of cash or Contributed Property, or in the event of an issuance of a de

minimis amount of Membership Interests as consideration for the provision of services, the Managing Member may determine that such adjustments are unnecessary for the proper administration of the Company. Any such Unrealized Gain or Unrealized Loss (or items thereof) shall be allocated (x) in accordance with Section 6.1(b)(x) and (y) thereafter to the Members, Pro Rata. In determining such Unrealized Gain or Unrealized Loss, the aggregate fair market value of all Company property (including cash or cash equivalents) immediately prior to the issuance of additional Membership Interests (or, in the case of an issuance of a Noncompensatory Option, immediately after such issuance if required pursuant to Treasury Regulation Section 1.704-1(b)(2)(iv)(s)(1)) shall be determined by the Managing Member using such method of valuation as it may adopt. In making its determination of the fair market values of individual properties, the Managing Member may first determine an aggregate value for the assets of the Company that takes into account the current trading price of the Class A Shares, the fair market value of the Membership Interests at such time and the amount of Company Liabilities. The Managing Member may allocate such aggregate value among the individual properties of the Company (in such manner as it determines appropriate).

(ii) In accordance with Treasury Regulation Section 1.704-1(b)(2)(iv)(e), immediately prior to any actual distribution to a Member of any Company property (other than a distribution of cash that is not in redemption or retirement of a Membership Interest), the Capital Accounts of all Members and the Carrying Value of all Company property shall be adjusted upward or downward to reflect any Unrealized Gain or Unrealized Loss attributable to such Company property in the same manner as that provided in Section 5.3(d)(i). In determining such Unrealized Gain or Unrealized Loss the aggregate fair market value of all Company property (including cash or cash equivalents) immediately prior to a distribution shall (A) in the case of a distribution that is not made pursuant to Section 12.4, be determined in the same manner as that provided in Section 5.3(d)(i) or (B) in the case of a liquidating distribution pursuant to Section 12.4, be determined by the Liquidator using such method of valuation as it may adopt.

(e) In connection with the issuance of Units to TWR IV, the Company shall adjust the Carrying Value of all Company property and the Capital Accounts of the non-contributing Members upwards to reflect any Unrealized Gain attributable to the Company property in the same manner as provided in Section 5.3(d) such that the Capital Accounts of such Members (taking into account the contribution of the Assets (as defined the PSA) by TWR IV to the Company) are in proportion to the Members' Percentage Interests. If there is a purchase price adjustment made in Units pursuant to the PSA, the Company shall make corresponding adjustments to the Capital Accounts of the Members such that the Capital Accounts of the Members will remain in proportion to the Members' Percentage Interests.

Section 5.4 *Issuances of Additional Units*.

(a) The Company is expressly authorized to issue additional Units for any Company purpose at any time and from time to time to such Persons for such consideration and on such terms and conditions as the Managing Member shall determine, all without any further act, approval or vote of any Non-Managing Member.

(b) The Managing Member shall take all actions that it determines to be necessary or appropriate in connection with (i) each issuance of Units pursuant to this Section 5.4, (ii) reflecting admission of such additional Non-Managing Member(s) in the books and records of the Company (including Exhibit A hereto) as the Record Holders of such Non-Managing Member Interests and (iii) all additional issuances of Units. The Managing Member shall do all things necessary to comply with the Delaware Act and is authorized and directed to do all things that it determines to be necessary or appropriate in connection with any future issuance of Units pursuant to the terms of this Agreement, including compliance with any statute, rule, regulation or guideline of any federal, state or other governmental agency.

(c) No fractional Units shall be issued by the Company.

Section 5.5 *Issuances of Securities by the Managing Member.* If the Managing Member issues any additional Class A Shares, the Managing Member shall contribute the net cash proceeds or other consideration received, if any, from the issuance of such additional Class A Shares in exchange for an equivalent number of Units. In addition, (a) if the Managing Member issues Class A Shares pursuant to the Exchange Agreement, the Company shall issue to the Managing Member an equivalent number of Units, such that the number of Units held by the Managing Member is equal to the number of Class A Shares outstanding, and (b) if the Managing Member issues Class A Shares pursuant to a distribution (including any split or combination) of Class A Shares to all of the holders of Class A Shares, the Company shall, as necessary, issue (i) to the Managing Member an equivalent number of Units, such that the number of Units held by the Managing Member is equal to the number of Class A Shares outstanding and (ii) to the Non-Managing Members a number of Units such that each of their percentage ownership of the Company is equal to that immediately prior to such issuance by the Managing Member. In the event that the Managing Member issues any additional Class A Shares and contributes the net cash proceeds or other consideration, if any, received from the issuance thereof to the Company, the Company is authorized to issue a number of Units equal to the number of Class A Shares so issued without any further act, approval or vote of any Member or any other Persons.

Section 5.6 *Redemption, Repurchase or Forfeiture of Class A Shares.* If, at any time, any Class A Shares are redeemed, repurchased or otherwise acquired (whether by exercise of a put or call, automatically or by means of another arrangement) by the Managing Member, then, immediately prior to such redemption, repurchase or acquisition of Class A Shares, the Company shall redeem a number of Units held by the Managing Member equal to the number of Class A Shares so redeemed, repurchased or acquired, such redemption, repurchase or acquisition to be upon the same terms and for the same price per Unit as such Class A Shares that are redeemed, repurchased or acquired.

Section 5.7 *Issuance of Class B Shares.* In the event that the Company issues Units to, or cancels Units held by, any Person other than the Managing Member, the

Managing Member shall issue Class B Shares to such Person or cancel Class B Shares held by such Person, as applicable, such that the number of Class B Shares held by such Person is equal to the number of Units held by such Person; provided, that, after the Lockup Expiration Date, the Managing Member may instead issue to such Person an option to acquire such number of Class B Shares.

Section 5.8 *Fully Paid and Non-Assessable Nature of Units*. All Units issued pursuant to, and in accordance with the requirements of, this Article V shall be fully paid and non-assessable Units in the Company, except as such non-assessability may be affected by Sections 18-607 and 18-804 of the Delaware Act.

ARTICLE VI
ALLOCATIONS AND DISTRIBUTIONS

Section 6.1 *Allocations for Capital Account Purposes*. For purposes of maintaining the Capital Accounts and in determining the rights of the Members among themselves, the Company's items of income, gain, loss, deduction, amount realized and Simulated Gain (computed in accordance with Section 5.3(b)) for each taxable period shall be allocated among the Members, and the Capital Accounts of the Members shall be adjusted for Simulated Depletion and Simulated Loss, as provided herein below.

(a) Net Income and Net Losses. After giving effect to the special allocations set forth in Section 6.1(b) and the Capital Account adjustments pursuant to Section 6.1(c)(ii), Net Income and Net Losses for each taxable period and all items of income, gain, loss, deduction, and, to the extent provided in Section 6.1(c)(iii), Simulated Gain taken into account in computing Net Income and Net Losses for such taxable period shall be allocated to the Members, Pro Rata.

(b) Special Allocations. Notwithstanding any other provision of this Section 6.1, the following special allocations shall be made for such taxable period in the following order:

(i) Company Minimum Gain Chargeback. Notwithstanding any other provision of this Section 6.1, if there is a net decrease in Company Minimum Gain during any Company taxable period, each Member shall be allocated items of Company income, gain and Simulated Gain for such period (and, if necessary, subsequent periods) in the manner and amounts provided in Treasury Regulation Sections 1.704-2(f)(6), 1.704-2(g)(2) and 1.704-2(j)(2)(i), or any successor provision. For purposes of this Section 6.1(b), each Member's Adjusted Capital Account balance shall be determined, and the allocation of income, gain and Simulated Gain required hereunder shall be effected, prior to the application of any other allocations pursuant to this Section 6.1(b) with respect to such taxable period (other than an allocation pursuant to Section 6.1(b)(vi) and Section 6.1(b)(vii)). This Section 6.1(b)(i) is intended to comply with the Company Minimum Gain chargeback requirement in Treasury Regulation Section 1.704-2(f) and shall be interpreted consistently therewith.

(ii) Chargeback of Member Nonrecourse Debt Minimum Gain. Notwithstanding the other provisions of this Section 6.1 (other than Section 6.1(b)(i)), except as provided in Treasury Regulation Section 1.704-2(i)(4), if there is a net decrease in Member Nonrecourse Debt Minimum Gain during any Company taxable period, any Member with a share of Member Nonrecourse Debt Minimum Gain at the beginning of such taxable period shall be allocated items of Company income, gain and Simulated Gain for such period (and, if necessary, subsequent periods) in the manner and amounts provided in Treasury Regulation Sections 1.704-2(i)(4) and 1.704-2(j)(2)(ii), or any successor provisions. For purposes of this Section 6.1(b), each Member's Adjusted Capital Account balance shall be determined, and the allocation of income, gain and Simulated Gain required hereunder shall be effected, prior to the application of any other allocations pursuant to this Section 6.1(b) with respect to such taxable period (other than an allocation pursuant to Section 6.1(b)(i), Section 6.1(b)(vi) and Section 6.1(b)(vii)). This Section 6.1(b)(ii) is intended to comply with the chargeback of items of income and gain requirement in Treasury Regulation Section 1.704-2(i)(4) and shall be interpreted consistently therewith.

(iii) [Reserved].

(iv) Qualified Income Offset. In the event any Member unexpectedly receives any adjustments, allocations or distributions described in Treasury Regulation Sections 1.704-1(b)(2)(ii)(d)(4), 1.704-1(b)(2)(ii)(d)(5), or 1.704-1(b)(2)(ii)(d)(6), items of Company gross income and gain shall be specially allocated to such Member in an amount and manner sufficient to eliminate, to the extent required by the Treasury Regulations promulgated under Section 704(b) of the Code, the deficit balance, if any, in its Adjusted Capital Account created by such adjustments, allocations or distributions as quickly as possible; *provided,* that an allocation pursuant to this Section 6.1(c)(iv) shall be made only if and to the extent that such Member would have a deficit balance in its Adjusted Capital Account as adjusted after all other allocations provided for in this Section 6.1 have been tentatively made as if this Section 6.1(c)(iv) were not in this Agreement. This Section 6.1(c)(iv) is intended to constitute a "***qualified income offset***" within the meaning of Treasury Regulation Section 1.704-1(b)(2)(ii)(d) and shall be interpreted consistently therewith.

(v) Gross Income Allocation. In the event any Member has a deficit balance in its Capital Account at the end of any taxable period in excess of the sum of (A) the amount such Member is required to restore pursuant to the provisions of this Agreement and (B) the amount such Member is deemed obligated to restore pursuant to Treasury Regulation Sections 1.704-2(g) and 1.704-2(i)(5), such Member shall be specially allocated items of Company gross income, gain and Simulated Gain in the amount of such excess as quickly as possible; *provided,* that an allocation pursuant to this Section 6.1(c)(v) shall be made only if and to the extent that such Member would have a deficit balance in its Capital Account as adjusted after all other

allocations provided for in this Section 6.1 have been tentatively made as if Section 6.1(c)(iv) and this Section 6.1(c)(v) were not in this Agreement.

(vi) Nonrecourse Deductions. Nonrecourse Deductions for any taxable period shall be allocated to the Members Pro Rata. If the Managing Member determines that the Company's Nonrecourse Deductions should be allocated in a different ratio to satisfy the safe harbor requirements of the Treasury Regulations promulgated under Section 704(b) of the Code, the Managing Member is authorized, upon notice to the other Members, to revise the prescribed ratio to the numerically closest ratio that does satisfy such requirements.

(vii) Member Nonrecourse Deductions. Member Nonrecourse Deductions for any taxable period shall be allocated 100% to the Member that bears the Economic Risk of Loss with respect to the Member Nonrecourse Debt to which such Member Nonrecourse Deductions are attributable in accordance with Treasury Regulation Section 1.704-2(i). If more than one Member bears the Economic Risk of Loss with respect to a Member Nonrecourse Debt, the Member Nonrecourse Deductions attributable thereto shall be allocated between or among such Member in accordance with the ratios in which they share such Economic Risk of Loss.

(viii) Nonrecourse Liabilities. For purposes of Treasury Regulation Section 1.752-3(a)(3), the Members agree that Nonrecourse Liabilities of the Managing Member in excess of the sum of (A) the amount of Company Minimum Gain and (B) the total amount of Nonrecourse Built-in Gain shall be allocated among the Members Pro Rata.

(ix) Code Section 754 Adjustments. To the extent an adjustment to the adjusted tax basis of any Company asset pursuant to Section 734(b) or 743(b) of the Code (including pursuant to Treasury Regulation Section 1.734-2(b)(1)) is required, pursuant to Treasury Regulation Section 1.704-1(b)(2)(iv)(m), to be taken into account in determining Capital Accounts, the amount of such adjustment to the Capital Accounts shall be treated as an item of gain or Simulated Gain (if the adjustment increases the basis of the asset) or loss or Simulated Loss (if the adjustment decreases such basis) taken into account pursuant to Section 5.3, and such item of gain, loss, Simulated Gain or Simulated Loss shall be specially allocated to the Members in a manner consistent with the manner in which their Capital Accounts are required to be adjusted pursuant to such Section of the Treasury Regulations.

(x) Equalization of Capital Accounts. All items of income or gain recognized by the Company upon liquidation or the sale, exchange or other disposition of all or substantially all of the assets of the Company Group or any Unrealized Gain or Unrealized Loss (or to the extent necessary, items thereof) deemed recognized as a result of a Revaluation Event shall be allocated among the Members in a manner such that, after giving effect to this Section 6.1(b)(x), the Capital Account balances of the Members, immediately

after making such allocations, are equal to the same ratio as the Members' respective Percentage Interests.

(xi) Noncompensatory Option. Any Member who has received its interest pursuant to the exercise of a Noncompensatory Option shall be allocated gain or loss or reallocated capital from other Members' Capital Accounts as necessary to comply with Treasury Regulation Section 1.704-1(b)(2)(iv)(5).

(xii) Curative Allocation.

(A) Notwithstanding any other provision of this Section 6.1, other than the Required Allocations, the Required Allocations shall be taken into account in making the Agreed Allocations so that, to the extent possible, the net amount of items of gross income, gain, loss, deduction, Simulated Depletion, Simulated Gain and Simulated Loss allocated to each Member pursuant to the Required Allocations and the Agreed Allocations, together, shall be equal to the net amount of such items that would have been allocated to each such Member under the Agreed Allocations had the Required Allocations and the related Curative Allocation not otherwise been provided in this Section 6.1 and Simulated Depletion and Simulated Loss had been included in the definition of Net Income and Net Loss. In exercising its discretion under this Section 6.1(b)(xii)(A), the Managing Member may take into account future Required Allocations that, although not yet made, are likely to offset other Required Allocations previously made. Allocations pursuant to this Section 6.1(b)(xii)(A) shall only be made with respect to Required Allocations to the extent the Managing Member determines that such allocations will otherwise be inconsistent with the economic agreement among the Members.

(B) The Managing Member shall, with respect to each taxable period, (1) apply the provisions of Section 6.1(b)(xii)(A) in whatever order is most likely to minimize the economic distortions that might otherwise result from the Required Allocations, and (2) divide all allocations pursuant to Section 6.1(b)(xii)(A) among the Members in a manner that is likely to minimize such economic distortions.

(c) Simulated Basis; Simulated Depletion and Simulated Loss; Simulated Gain; Amount Realized

(i) Simulated Basis. For purposes of determining and maintaining the Members' Capital Accounts, (i) the initial Simulated Basis of each oil and gas property (as defined in Section 614 of the Code) of the Company shall be allocated among the Members, Pro Rata and (ii) if the Carrying Value of an oil and gas property (as defined in Section 614 of the Code) is adjusted pursuant to Section 5.3(d), the Simulated Basis of such property (as adjusted to reflect the adjustment to the Carrying Value of such property), shall be allocated to the Members, Pro Rata.

(ii) Simulated Depletion and Simulated Loss. For purposes of applying clause (z) of the second sentence of Section 5.3(a), Simulated Depletion and Simulated Loss with respect to each oil and gas property (as defined in Section 614 of the Code) of the Company shall reduce each Member's Capital Account in proportion to the manner in which the Simulated Basis of such property is allocated among the Members pursuant to Section 6.1(c)(i).

(iii) Simulated Gain. For purposes of applying clause (iii) of the second sentence of Section 5.3(a), Simulated Gain for any taxable period will be treated as included in either Net Income or Net Loss and allocated pursuant to Section 6.1(a).

(iv) Amount Realized. For purposes of Treasury Regulation Sections 1.704-1(b)(2)(iv)(k)(2) and 1.704-1(b)(4)(iii), the amount realized on the disposition of any oil and gas property (as defined in Section 614 of the Code) of the Company shall be allocated (i) first to the Members in an amount equal to the remaining Simulated Basis of such property in the same proportions as the Simulated Basis of such property was allocated among the Members pursuant to Section 6.1(c)(i), and (ii) any remaining amount realized shall be allocated to the Members in the same ratio as Simulated Gain from the disposition of such oil and gas property is allocated pursuant to Section 6.1(a).

Section 6.2 *Allocations for Tax Purposes*.

(a) Except as otherwise provided herein, for federal income tax purposes, each item of income, gain, loss, deduction and credit shall be allocated among the Members in the same manner as its correlative item of "book" income, gain, loss or deduction is allocated pursuant to Section 6.1.

(b) The deduction for depletion with respect to each separate oil and gas property (as defined in Section 614 of the Code) shall be computed for federal income tax purposes separately by the Members rather than by the Company in accordance with Section 613A(c)(7)(D) of the Code. Except as provided in Section 6.2(c), for purposes of such computation (before taking into account any adjustments resulting from an election made by the Company under Section 754 of the Code), the adjusted tax basis of each oil and gas property (as defined in Section 614 of the Code) that is (i) a Contributed Property shall initially be allocated among the non-contributing Members, Pro Rata, but not in excess of any such Member's share of Simulated Basis as determined pursuant to Section 6.1(c)(i), and (ii) not a Contributed Property or an Adjusted Property shall initially be allocated to the Members in proportion to each such Member's share of Simulated Basis as determined pursuant to Section 6.1(c)(i). If there is an event described in Section 5.3(d), the Managing Member shall reallocate the adjusted tax basis of each oil and gas property in a manner consistent with the principles of Section 704(c) of the Code and Section 6.2(c).

Each Member shall separately keep records of his share of the adjusted tax basis in each oil and gas property, allocated as provided above, adjust such share of the

adjusted tax basis for any cost or percentage depletion allowable with respect to such property, and use such adjusted tax basis in the computation of its cost depletion or in the computation of his gain or loss on the disposition of such property by the Company.

(c) In an attempt to eliminate Book-Tax Disparities attributable to a Contributed Property or Adjusted Property, items of income, gain, loss, depreciation, amortization and cost recovery deductions shall be allocated for federal income tax purposes among the Members in the manner provided under Section 704(c) of the Code, and the Treasury Regulations promulgated under Section 704(b) and 704(c) of the Code, with any permissible method determined to be appropriate by the Managing Member (taking into account the Managing Member's discretion under Section 6.1(c)(x)); *provided* that solely with respect to any Book-Tax Disparities as of the date hereof attributable to any Asset (as defined in the PSA) acquired from TWR IV pursuant to the PSA, the Company shall use the "traditional method with curative allocations" described in Treasury Regulations 1.704-3(c) solely using curative items of depletion.

(d) In accordance with Treasury Regulation Sections 1.1245-1(e) and 1.1250-1(f), any gain allocated to the Members upon the sale or other taxable disposition of any Company asset shall, to the extent possible, after taking into account other required allocations of gain pursuant to this Section 6.2, be characterized as Recapture Income in the same proportions and to the same extent as such Members (or their predecessors in interest) have been allocated any deductions directly or indirectly giving rise to the treatment of such gains as Recapture Income.

(e) All items of income, gain, loss, deduction and credit recognized by the Company for federal income tax purposes and allocated to the Members in accordance with the provisions hereof shall be determined without regard to any election under Section 754 of the Code that may be made by the Company; *provided, however*, that such allocations, once made, shall be adjusted (in the manner determined by the Managing Member) to take into account those adjustments permitted or required by Sections 734 and 743 of the Code.

(f) Each item of Company income, gain, loss and deduction, for federal income tax purposes, shall be determined for each taxable period and the Managing Member shall prorate and allocate such items to the Members in a manner permitted by Section 706 of the Code and the regulations and rulings promulgated thereunder.

(g) If, as a result of an exercise of a Noncompensatory Option, a Capital Account reallocation is required under Treasury Regulation Section 1.704-1(b)(2)(iv)(s)(3), the Managing Member shall make corrective allocations pursuant to Treasury Regulation Section 1.704-1(b)(4)(x).

Section 6.3 *Distributions to Record Holders*.

(a) The Managing Member may adopt a cash distribution policy, which it may change from time to time without amendment to this Agreement.

(b) The Company will make distributions, if any, to all Record Holders of Units, Pro Rata.

(c) Notwithstanding Section 6.3(b), in the event of the dissolution and liquidation of the Company, all cash received during or after the Quarter in which the Liquidation Date occurs shall be applied and distributed solely in accordance with, and subject to the terms and conditions of, Section 12.4.

(d) Each distribution in respect of a Unit shall be paid by the Company, directly or through any other Person or agent, only to the Record Holder of such Unit as of the Record Date set for such distribution. Such payment shall constitute full payment and satisfaction of the Company's liability in respect of such payment, regardless of any claim of any Person who may have an interest in such payment by reason of an assignment or otherwise.

ARTICLE VII
MANAGEMENT AND OPERATION OF BUSINESS

Section 7.1 *Management*.

(a) The business, property and affairs of the Company shall be managed under the sole, absolute and exclusive direction of the Managing Member, which may from time to time delegate authority to its officers or to others to act on behalf of the Company. Without limiting the foregoing provisions of this Section 7.1(a), the Managing Member shall have the sole power to manage or cause the management of the Company, including the power and authority to effectuate the sale, lease, transfer, exchange or other disposition of any, all or substantially all of the assets of the Company (including, but not limited to, the exercise or grant of any conversion, option, privilege or subscription right or any other right available in connection with any assets at any time held by the Company) or the merger, consolidation, reorganization or other combination of the Company with or into another entity. Viper is the Managing Member of the Company.

(b) No Non-Managing Member, in his or her or its capacity as such, shall participate in or have any control over the business of the Company. Except as expressly provided herein, neither the Units nor the fact of a Non-Managing Member's admission as a member of the Company confer any rights upon the Non-Managing Members to participate in the management of the affairs of the Company. Except as expressly provided herein, no Non-Managing Member shall have any right to vote on any matter involving the Company, including with respect to any merger, consolidation, combination or conversion of the Company, or any other matter that a Member might otherwise have the ability to vote or consent with respect to under the Delaware Act, at law, in equity or otherwise. The conduct, control and management of the Company shall be vested exclusively in the Managing Member. In all matters relating to or arising out of the conduct of the operation of the Company, the decision of the Managing Member shall be the decision of the Company. Except as required by law or expressly provided in Section 7.1(c) or by separate agreement with the Company, no Non-Managing Member (and acting in such capacity) shall take any part in the management or control of the operation or business of the Company in its

capacity as a Member, nor shall any Non-Managing Member (and acting in such capacity) have any right, authority or power to act for or on behalf of or bind the Company in his or her or its capacity as a Member in any respect or assume any obligation or responsibility of the Company or of any other Member.

(c) To the fullest extent permitted by law, the Managing Member shall have the power and authority to delegate to one or more other Persons the Managing Member's rights and powers to manage and control the business and affairs of the Company, including to delegate to officers, agents and employees of the Company, the Managing Member, or its Affiliates (including officers), and to delegate by a management agreement or another agreement with, or otherwise to, other Persons. The Managing Member may authorize any Person (including any Member or officer) to enter into and perform any document on behalf of the Company.

(d) Without limiting the generality of Section 7.1(a)-(c), the Managing Member may appoint such officers as it shall deem necessary or advisable who shall hold their offices for such terms, shall have authority (subject to such conditions as may be prescribed by the Managing Member) to sign deeds, mortgages, bonds, contracts or other instruments on behalf of the Company and shall exercise such other powers and perform such other duties as shall be determined from time to time by the Managing Member. Unless otherwise determined by the Managing Member, each such officer shall hold office until his or her successor is chosen and qualified. Any officer appointed by the Managing Member may be removed at any time, with or without cause, upon notice by the Managing Member. Any vacancy occurring in any office of the Company shall be filled by the Managing Member in its sole discretion. Any number of offices may be held by the same person. The officers of the Company on and as of the Effective Date have previously been appointed by the Managing Member.

Section 7.2 *Replacement of Fiduciary Duties.* Notwithstanding any other provision of this Agreement, to the extent that, at law or in equity, the Managing Member or any other Indemnitee would have duties (including fiduciary duties) to the Company, to another Member, to any Person who acquires an interest in the Company or to any other Person bound by this Agreement, all such duties (including fiduciary duties) are hereby eliminated, to the fullest extent permitted by law, and replaced with the duties expressly set forth herein. The elimination of duties (including fiduciary duties) and replacement thereof with the duties expressly set forth herein are approved by the Company, each of the Members, each other Person who acquires an interest in the Company and each other Person bound by this Agreement.

Section 7.3 *Indemnification*.

(a) To the fullest extent permitted by law, all Indemnitees shall be indemnified and held harmless by the Company from and against any and all losses, claims, damages, liabilities, joint or several, expenses (including legal fees and expenses), judgments, fines, penalties, interest, settlements or other amounts arising from any and all threatened, pending or completed claims, demands, actions, suits or proceedings, whether civil, criminal, administrative or investigative, and whether formal or informal and including appeals, in which any Indemnitee may be involved,

or is threatened to be involved, as a party or otherwise, by reason of its status as an Indemnitee and acting (or refraining to act) in such capacity; *provided,* that the Indemnitee shall not be indemnified and held harmless if there has been a final and non-appealable judgment entered by a court of competent jurisdiction determining that, in respect of the matter for which the Indemnitee is seeking indemnification pursuant to this Agreement, the Indemnitee acted in Bad Faith or engaged in willful misconduct or fraud or, in the case of a criminal matter, acted with knowledge that the Indemnitee's conduct was unlawful. Any indemnification pursuant to this Section 7.3 shall be made only out of the assets of the Company, it being agreed that the Managing Member shall not be personally liable for such indemnification and shall have no obligation to contribute or loan any monies or property to the Company to enable it to effectuate such indemnification.

(b) To the fullest extent permitted by law, expenses (including legal fees and expenses) incurred by an Indemnitee who is indemnified pursuant to Section 7.3(a) in appearing at, participating in or defending any claim, demand, action, suit or proceeding shall, from time to time, be advanced by the Company prior to a final and non-appealable judgment entered by a court of competent jurisdiction determining that, in respect of the matter for which the Indemnitee is seeking indemnification pursuant to this Section 7.3, the Indemnitee is not entitled to be indemnified upon receipt by the Company of any undertaking by or on behalf of the Indemnitee to repay such amount if it shall be ultimately determined that the Indemnitee is not entitled to be indemnified as authorized by this Section 7.3.

(c) The indemnification provided by this Section 7.3 shall be in addition to any other rights to which an Indemnitee may be entitled under any agreement, pursuant to any vote of the holders of Outstanding Non-Managing Member Interests, as a matter of law, in equity or otherwise, both as to actions in the Indemnitee's capacity as an Indemnitee and as to actions in any other capacity, and shall continue as to an Indemnitee who has ceased to serve in such capacity and shall inure to the benefit of the heirs, successors, assigns and administrators of the Indemnitee.

(d) The Company may purchase and maintain (or reimburse the Managing Member or its Affiliates for the cost of) insurance, on behalf of the Managing Member, its Affiliates, the Indemnitees and such other Persons as the Managing Member shall determine, against any liability that may be asserted against, or expense that may be incurred by, such Person in connection with the Company's activities or such Person's activities on behalf of the Company, regardless of whether the Company would have the power to indemnify such Person against such liability under the provisions of this Agreement.

(e) For purposes of this Section 7.3, (i) the Company shall be deemed to have requested an Indemnitee to serve as fiduciary of an employee benefit plan whenever the performance by it of its duties to the Company also imposes duties on, or otherwise involves services by, it to the plan or participants or beneficiaries of the plan; (ii) excise taxes assessed on an Indemnitee with respect to an employee benefit plan pursuant to applicable law shall constitute "fines" within the meaning of Section 7.3(a); and (iii) action taken or omitted by an Indemnitee with respect to any employee benefit plan in the performance of its duties for a purpose reasonably

believed by it to be in the best interest of the participants and beneficiaries of the plan shall be deemed to be for a purpose that is in the best interests of the Company.

(f) In no event may an Indemnitee subject the Non-Managing Members to personal liability by reason of the indemnification provisions set forth in this Agreement.

(g) An Indemnitee shall not be denied indemnification in whole or in part under this Section 7.3 because the Indemnitee had an interest in the transaction with respect to which the indemnification applies if the transaction was otherwise permitted by the terms of this Agreement.

(h) The provisions of this Section 7.3 are for the benefit of the Indemnitees and their heirs, successors, assigns, executors and administrators and shall not be deemed to create any rights for the benefit of any other Persons.

(i) No amendment, modification or repeal of this Section 7.3 or any provision hereof shall in any manner terminate, reduce or impair the right of any past, present or future Indemnitee to be indemnified by the Company, nor the obligations of the Company to indemnify any such Indemnitee under and in accordance with the provisions of this Section 7.3 as in effect immediately prior to such amendment, modification or repeal with respect to claims arising from or relating to matters occurring, in whole or in part, prior to such amendment, modification or repeal, regardless of when such claims may arise or be asserted.

Section 7.4 *Limitation of Liability of Indemnitees*.

(a) Notwithstanding anything to the contrary set forth in this Agreement, any Group Member Agreement, or under the Delaware Act or any other law, rule or regulation or at equity, no Indemnitee shall be liable for monetary damages or otherwise to the Company, to another Member, to any other Person who acquires an interest in a Membership Interest or to any other Person bound by this Agreement, for losses sustained or liabilities incurred, of any kind or character, as a result of its or any of any other Indemnitee's determinations, act(s) or omission(s) in their capacities as Indemnitees; *provided*, *however*, that an Indemnitee shall be liable for losses or liabilities sustained or incurred by the Company, the other Members, any other Persons who acquire an interest in a Membership Interest or any other Person bound by this Agreement, if it is determined by a final and non-appealable judgment entered by a court of competent jurisdiction that such losses or liabilities were the result of the conduct of that Indemnitee engaged in by it in Bad Faith or engaged in willful misconduct or fraud, or, with respect to any criminal conduct, with the knowledge that its conduct was unlawful.

(b) The Managing Member may exercise any of the powers granted to it by this Agreement and perform any of the duties imposed upon it hereunder either directly or by or through its agents, and the Managing Member shall not be responsible for any misconduct or negligence on the part of any such agent appointed by the Managing Member if such appointment was not made in Bad Faith.

(c) To the extent that, at law or in equity, an Indemnitee has duties (including fiduciary duties) and liabilities relating thereto to the Company, to the Members, to any Person who acquires an interest in a Membership Interest or to any other Person bound by this Agreement, the Managing Member and any other Indemnitee acting in connection with the Company's business or affairs shall not be liable to the Company, to any Member, to any Person who acquires an interest in a Membership Interest or to any other Person bound by this Agreement for its reliance on the provisions of this Agreement.

(d) Any amendment, modification or repeal of this Section 7.4 or any provision hereof shall be prospective only and shall not in any way affect the limitations on the liability of the Indemnitees under this Section 7.4 as in effect immediately prior to such amendment, modification or repeal with respect to claims arising from or relating to matters occurring, in whole or in part, prior to such amendment, modification or repeal, regardless of when such claims may arise or be asserted.

Section 7.5 *Resolution of Conflicts of Interest; Standards of Conduct and Modification of Duties*

(a) Whenever the Managing Member, acting in its capacity as the managing member of the Company, or any Affiliate of the Managing Member makes a determination or takes or omits to take any action in such capacity, whether or not under this Agreement, any Group Member Agreement or any other agreement contemplated hereby, then, unless another lesser standard is provided for in this Agreement, the Managing Member or such Affiliate (i) shall make such determination, or take or omit to take such action, in Good Faith and (ii) shall not make any such determination, or take or omit to take any such action, that disproportionately and materially adversely affects any Non-Managing Member, solely in its capacity as a Member, relative to the other Non-Managing Members, solely in their capacity as Members. The foregoing and other lesser standards provided for in this Agreement are the sole and exclusive standards governing any such determinations, actions and omissions of the Managing Member and any Affiliate of the Managing Member and no such Person shall be subject to any fiduciary duty or other duty or obligation, or any other, different or higher standard (all of which duties, obligations and standards are hereby waived and disclaimed), under this Agreement, any Group Member Agreement or any other agreement contemplated hereby, or under the Delaware Act or any other law, rule or regulation or at equity. Any such determination, action or omission by the Managing Member or of any Affiliate of the Managing Member will for all purposes be presumed to have been in Good Faith. In any proceeding brought by or on behalf of the Company, any Member, or any other Person who acquires an interest in the Company or any other Person who is bound by this Agreement, challenging such determination, act or omission, the Person bringing or prosecuting such proceeding shall have the burden of proving that such determination, action or omission was not in Good Faith.

(b) Whenever the Managing Member makes a determination or takes or omits to take any action, or any Affiliate of the Managing Member causes the Managing Member to do so, not acting in its capacity as the managing member of the

Company, whether or not under this Agreement, any Group Member Agreement or any other agreement contemplated hereby, then the Managing Member, or such Affiliate causing it to do so, are entitled, to the fullest extent permitted by law, to make such determination or to take or omit to take such action free of any fiduciary duty or duty of Good Faith or other duty or obligation existing at law, in equity or otherwise whatsoever to the Company, to another Member, to any Person who acquires an interest in the Company or to any other Person bound by this Agreement, and the Managing Member or such Affiliate causing it to do so, shall not, to the fullest extent permitted by law, be required to act in Good Faith or pursuant to any fiduciary or other duty or standard imposed by this Agreement, any Group Member Agreement, any other agreement contemplated hereby or under the Delaware Act or any other law, rule or regulation or at equity.

(c) For purposes of Section 7.5(a) and Section 7.5(b) of this Agreement, "acting in its capacity as the managing member of the Company" means and is solely limited to, the Managing Member exercising its authority as a managing member under this Agreement, other than when it is "acting in its individual capacity." For purposes of this Agreement, "acting in its individual capacity" means: (i) any action by the Managing Member or its Affiliates other than through the exercise of the Managing Member of its authority as a managing member under this Agreement; and (ii) any action or inaction by the Managing Member by the exercise (or failure to exercise) of its rights, powers or authority under this Agreement that are modified by: (A) the phrase "at the option of the Managing Member," (B) the phrase "in its sole discretion" or "in its discretion" or (iii) some variation of the phrases set forth in clauses (i) and (ii). For the avoidance of doubt, whenever the Managing Member votes, acquires Membership Interests or transfers its Membership Interests, or refrains from voting or transferring its Membership Interests, it shall be and be deemed to be "acting in its individual capacity."

(d) Notwithstanding anything to the contrary in this Agreement, the Managing Member and its Affiliates or any other Indemnitee shall have no duty or obligation, express or implied, to (i) sell or otherwise dispose of any asset of the Company Group or (ii) permit any Group Member to use any facilities or assets of the Managing Member and its Affiliates, except as may be provided in contracts entered into from time to time specifically dealing with such use. Any determination by the Managing Member or any of its Affiliates to enter into such contracts or transactions shall be in its sole discretion.

(e) The Members and each Person who acquires an interest in the Company or is otherwise bound by this Agreement hereby authorize the Managing Member, on behalf of the Company as a partner or member of a Group Member, to approve actions by the general partner or managing member of such Group Member similar to those actions permitted to be taken by the Managing Member pursuant to this Section 7.5.

(f) For the avoidance of doubt, whenever the Managing Member or any Affiliate of the Managing Member makes a determination on behalf of the Managing Member, or cause the Managing Member to take or omit to take any action, whether in the Managing Member's capacity as the Managing Member or in its individual

capacity, the standards of care applicable to the Managing Member shall apply to such Persons, and such Persons shall be entitled to all benefits and rights of the Managing Member hereunder, including waivers and modifications of duties, protections and presumptions, as if such Persons were the Managing Member hereunder.

Section 7.6 *Other Matters Concerning the Managing Member.*

(a) The Managing Member may rely, and shall be protected in acting or refraining from acting upon, any resolution, certificate, statement, instrument, opinion, report, notice, request, consent, order, bond, debenture or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or parties.

(b) The Managing Member may consult with legal counsel, accountants, appraisers, management consultants, investment bankers and other consultants and advisers selected by it, and any act taken or omitted to be taken in reliance upon the advice or opinion of such Persons as to matters that the Managing Member reasonably believes to be within such Person's professional or expert competence shall be conclusively presumed to have been done or omitted in Good Faith and in accordance with such advice or opinion.

(c) The Managing Member shall have the right, in respect of any of its powers or obligations hereunder, to act through any of its or the Company's duly authorized officers, a duly appointed attorney or attorneys-in-fact.

Section 7.7 *Reliance by Third Parties.* Notwithstanding anything to the contrary in this Agreement, any Person dealing with the Company shall be entitled to assume that the Managing Member and any officer of the Company has full power and authority to encumber, sell or otherwise use in any manner any and all assets of the Company and to enter into any authorized contracts on behalf of the Company, and such Person shall be entitled to deal with the Managing Member or any such officer as if it were the Company's sole party in interest, both legally and beneficially. Each Non-Managing Member, each other Person who acquires an interest in a Membership Interest and each other party who becomes bound by this Agreement hereby waives, to the fullest extent permitted by law, any and all defenses or other remedies that may be available against such Person to contest, negate or disaffirm any action of the Managing Member or any such officer in connection with any such dealing. In no event shall any Person dealing with the Managing Member or any such officer or its representatives be obligated to ascertain that the terms of this Agreement have been complied with or to inquire into the necessity or expedience of any act or action of the Managing Member or any such officer or its representatives. Each and every certificate, document or other instrument executed on behalf of the Company by the Managing Member or its representatives shall be conclusive evidence in favor of any and every Person relying thereon or claiming thereunder that (a) at the time of the execution and delivery of such certificate, document or instrument, this Agreement was in full force and effect, (b) the Person executing and delivering such certificate, document or instrument was duly authorized and empowered to do so for and on behalf of the Company and (c) such certificate, document or instrument was duly executed and delivered in accordance with the terms and provisions of this Agreement and is binding upon the Company.

ARTICLE VIII
BOOKS, RECORDS, ACCOUNTING AND REPORTS

Section 8.1 *Records and Accounting.* The Managing Member shall keep or cause to be kept at the principal office of the Company appropriate books and records with respect to the Company's business. Any books and records maintained by or on behalf of the Company in the regular course of its business, including the record of the Record Holder of Units or other Membership Interests, books of account and records of Company proceedings, may be kept on, or be in the form of, computer disks, hard drives, magnetic tape, photographs, micrographics or any other information storage device; *provided,* that the books and records so maintained are convertible into clearly legible written form within a reasonable period of time. The books of the Company shall be maintained, for financial reporting purposes, on an accrual basis in accordance with U.S. GAAP.

Section 8.2 *Fiscal Year.* The fiscal year of the Company shall be a fiscal year ending December 31.

Section 8.3 *Reports*. The Managing Member shall cause to be prepared and delivered to the Members such reports, forecasts, studies, budgets and other information as the Members may reasonably request from time to time.

ARTICLE IX
TAX MATTERS

Section 9.1 *Tax Returns and Information.* The Company shall timely file all returns of the Company that are required for federal, state and local income tax purposes on the basis of the taxable period or year that it is required by law to adopt, from time to time, as determined by the Managing Member. In the event the Company is required to use a taxable period other than a year ending on December 31, the Managing Member shall use reasonable efforts to change the taxable period of the Company to a year ending on December 31. The tax information reasonably required by Members for federal and state income tax reporting purposes with respect to a taxable period (including a Schedule K-1) shall be furnished to them no later than February 28 of the calendar year following the end of the Company's taxable period; *provided* that the Company will promptly provide the Members any adjustments or revisions to such Member's Schedule K-1. In addition, the Company shall furnish to each Non-Managing Member any additional tax information reasonably requested by such Non-Managing Member in order to comply with its organizational documents, including additional detail regarding the source of any items of income, gain, loss, deduction, or credit allocated to such Non-Managing Member to the extent not otherwise reflected in the information provided to the Members under the preceding sentence.

Section 9.2 *Tax Characterization.* Unless otherwise determined by the Managing Member, the Company shall be treated as a partnership and not as an association taxable as a corporation for U.S. federal income tax purposes. The Members and the Company shall not take any action that would cause the Company to be treated as a corporation for U.S. federal income tax purposes (as well as for any analogous state or local tax purposes) and shall file all tax returns consistent with the tax characterization set forth in this Section 9.2.

Section 9.3 *Tax Elections*.

(a) The Company shall make the election under Section 754 of the Code in accordance with applicable regulations thereunder, subject to the reservation of the right to seek to revoke any such election upon the Managing Member's determination that such revocation is in the best interests of the Non-Managing Members.

(b) Except as otherwise provided herein, the Managing Member shall determine whether the Company should make any other elections permitted by the Code.

Section 9.4 *Tax Controversies.*

(a) Subject to the provisions hereof, (i) with respect to tax returns filed for taxable years ending before January 1, 2018, the Managing Member shall be designated as the "tax matters partner" (as defined in Section 6231 of the Code in effect prior to the amendment by the Bipartisan Budget Act of 2015, P.L. 114-74) (the " ***Tax Matters Partner***") and (ii) with respect to tax returns filed for taxable years beginning on or after January 1, 2018, the Managing Member is designated as the "partnership representative" as defined in Section 6223 of the Code (the "***Partnership Representative***"). The Partnership Representative shall designate from time to time a "designated individual" to act on behalf of the Partnership Representative, and such designated individual shall be subject to replacement by the Partnership Representative in accordance with the Code and Treasury Regulations.

(b) The Tax Matters Partner or the Partnership Representative shall give prompt written notice to the other Members of any and all notices it receives from the Internal Revenue Service or any other taxing authority concerning the tax matters of the Company. The Company shall reimburse the Tax Matters Partner or the Partnership Representative for any expenses that the Tax Matters Partner or the Partnership Representative incurs in connection with its obligations as Tax Matters Partner or Partnership Representative. The Tax Matters Partner or the Partnership Representative shall not agree to extend the statute of limitations with respect to partnership items of the Company without the consent of all of the Members. No Member shall take any other action with respect to a partnership level audit item which would be binding on the other Member in computing its liability for taxes (or interest, penalties or additions to tax) without the consent of the other Members. Neither the Tax Matters Partner nor the Partnership Representative shall be liable to the Company or the Members for acts or omissions taken or suffered by it in its capacity as either the Tax Matters Partner or the Partnership Representative, as the case may be, in good faith; *provided* that such act or omission is not in willful violation of this Agreement and does not constitute gross negligence, fraud or a willful violation of law.

(c) With respect to tax returns filed for taxable years beginning on or after January 1, 2018, if permissible, the Partnership Representative may cause the Company to, with the consent of the Members, make the election under Section 6221(b) of the Code with respect to determinations of adjustments at the partnership level and take any other action such as filings, disclosures and notifications necessary to effectuate such election for each year for which the election may be made. If the election described in the preceding sentence is not available and to the extent

applicable, if the Company receives a notice of final partnership adjustment as described in Section 6226 of the Code the Partnership Representative may, with the consent of the Members, cause the Company to make the election under Section 6226(a) of the Code with respect to the alternative to payment of imputed underpayment by the Company and take other action such as filings, disclosures and notifications necessary to effectuate such election. If the election under Section 6226(a) is not made, then the Company shall make any payment required pursuant to Section 6225 and the Members shall have the obligations set forth in Section 9.5. The Members shall reasonably cooperate with the Company and the Partnership Representative, and undertake any action reasonably requested by the Company, in connection with any elections made by the Partnership Representative or as determined to be reasonably necessary by the Partnership Representative; *provided* that no Member shall be required to file an amended tax return.

Section 9.5 *Withholding.*

(a) If taxes and related interest, penalties or additions to taxes are paid by the Company on behalf of all or less than all the Members or former Members, including, without limitation, any payment by the Company of an imputed underpayment under Section 6225 of the Code, the Managing Member may treat such payment as a distribution of cash to such Members, treat such payment as a general expense of the Company, or require that persons who were Members of the Company in the taxable year to which the payment relates (including former Members) indemnify the Company upon request for their allocable share of that payment, in each case as determined appropriate under the circumstances by the Managing Member. The amount of any such indemnification obligation of, or deemed distribution of cash to, a Member or former Member in respect of an imputed underpayment under Section 6225 of the Code shall be reduced to the extent that the Company receives a reduction in the amount of the imputed underpayment under Section 6225(c) of the Code which, in the determination of the Managing Member, is attributable to actions taken by, the tax status or attributes of, or tax information provided by or attributable to, such Managing Member or former Member pursuant to or described in Section 6225(c) of the Code.

(b) Notwithstanding any other provision of this Agreement, the Managing Member is authorized to take any action determined, in its discretion, to be necessary or appropriate to cause the Company and other Group Members to comply with any withholding requirements established under the Code or any other federal, state or local law including pursuant to Sections 1441, 1442, 1445 and 1446 of the Code. To the extent that the Company is required or elects to withhold and pay over to any taxing authority any amount resulting from the allocation of distribution of income or from a distribution to any Member (including by reason of Section 1446 of the Code), the amount withheld may at the discretion of the Managing Member be treated by the Company as a distribution of cash pursuant to Section 6.3 or Section 12.4(c) in the amount of such withholding from such Member.

ARTICLE X
ADMISSION OF MEMBERS

Section 10.1 *Admission of New Members*. Without the consent of any other Person, the Managing Member shall have the right to admit as a Member, any Person who acquires an interest in the Company, or any part thereof, from a Member or from the Company. Concurrently with the admission of such Member, the Managing Member shall forthwith (a) amend Exhibit A hereto to reflect the name and address of such new Member and to eliminate or modify, as applicable, the name and address of the transferring Member with regard to the transferred Units and (b) cause any necessary papers to be filed and recorded and notice to be given wherever and to the extent required showing the substitution of a transferee as a Member in place of the transferring Member, or the admission of a Member, in each case, at the expense, including payment of any professional and filing fees incurred, of such Member.

Section 10.2 *Conditions and Limitations.* The admission of any Person as a Member shall be conditioned upon such Person's written acceptance and adoption of all the terms and provisions of this Agreement by execution and delivery of the Adoption Agreement in the form attached hereto as Exhibit C or such other written instrument(s) in form and substance satisfactory to the Managing Member on behalf of the Company.

ARTICLE XI
WITHDRAWAL OR REMOVAL OF MEMBERS

Section 11.1 *Member Withdrawal*. No Member shall have the power or right to withdraw or otherwise resign or be expelled from the Company prior to the dissolution and winding up of the Company, except pursuant to a transfer in accordance with Section 4.4.

Section 11.2 *Removal of the Managing Member.* The Managing Member may not be removed as the managing member of the Company except by unanimous consent of the Members (including the Managing Member). The removal of the Managing Member as the managing member of the Company shall also automatically constitute the removal of the Managing Member as general partner or managing member, to the extent applicable, of the other Group Members of which the Managing Member is a general partner or a managing member. If a Person is elected as a successor Managing Member in accordance with the terms of this Section 11.2, such Person shall automatically become a successor general partner or managing member, to the extent applicable, of the other Group Members of which the Managing Member is a general partner or a managing member.

ARTICLE XII
DISSOLUTION AND LIQUIDATION

Section 12.1 *Dissolution.* The Company shall not be dissolved by the admission of additional Non-Managing Members or by the admission of a successor Managing Member in accordance with the terms of this Agreement. The Company shall dissolve, and (subject to Section 12.2) its affairs shall be wound up, upon:

(a) an election to dissolve the Company by the Managing Member ;

(b) the entry of a decree of judicial dissolution of the Company pursuant to the provisions of the Delaware Act; or

(c) at any time there are no Members, unless the Company is continued without dissolution in accordance with the Delaware Act.

Section 12.2 *Liquidator*. Upon dissolution of the Company in accordance with the provisions of this Article XII, the Managing Member shall select one or more Persons to act as Liquidator. The Liquidator (if other than the Managing Member) shall be entitled to receive such compensation for its services as may be approved by the Managing Member. The Liquidator (if other than the Managing Member) shall agree not to resign at any time without 15 days' prior notice and may be removed at any time, with or without cause, by the Managing Member. Upon dissolution, removal or resignation of the Liquidator, a successor and substitute Liquidator (who shall have and succeed to all rights, powers and duties of the original Liquidator) shall within 30 days thereafter be selected by the Managing Member. The right to select a successor or substitute Liquidator in the manner provided herein shall be deemed to refer also to any such successor or substitute Liquidator approved in the manner herein provided. Except as expressly provided in this Article XII, the Liquidator selected in the manner provided herein shall have and may exercise, without further authorization or consent of any of the parties hereto, all of the powers conferred upon the Managing Member under the terms of this Agreement (but subject to all of the applicable limitations, contractual and otherwise, upon the exercise of such powers) necessary or appropriate to carry out the duties and functions of the Liquidator hereunder for and during the period of time required to complete the winding up and liquidation of the Company as provided for herein.

Section 12.3 *Liquidation*. The Liquidator shall proceed to dispose of the assets of the Company, discharge its liabilities, and otherwise wind up its affairs in such manner and over such period as determined by the Liquidator, subject to Section 18-804 of the Delaware Act and the following:

(a) The assets may be disposed of by public or private sale or by distribution in kind to one or more Members on such terms as the Liquidator and such Member or Members may agree. If any property is distributed in kind, the Member receiving the property shall be deemed for purposes of Section 12.3(c) to have received cash equal to its Net Agreed Value; and contemporaneously therewith, appropriate cash distributions must be made to the other Members. The Liquidator may defer liquidation or distribution of the Company's assets for a reasonable time if it determines that an immediate sale or distribution of all or some of the Company's assets would be impractical or would cause undue loss to the Members. The Liquidator may distribute the Company's assets, in whole or in part, in kind if it determines that a sale would be impractical or would cause undue loss to the Members.

(b) Liabilities of the Company include amounts owed to the Liquidator as compensation for serving in such capacity (subject to the terms of Section 12.2) and amounts to Members otherwise than in respect of their distribution rights under Article VI. With respect to any liability that is contingent, conditional or unmatured or is otherwise not yet due and payable, the Liquidator shall either settle such claim for such amount as it thinks appropriate or establish a reserve of cash or other assets

to provide for its payment. When paid, any unused portion of the reserve shall be distributed as additional liquidation proceeds.

(c) All property and all cash in excess of that required to satisfy or discharge liabilities as provided in Section 12.3(b) shall be distributed to the Members in accordance with, and to the extent of, the positive balances in their respective Capital Accounts, as determined after taking into account all Capital Account adjustments (other than those made by reason of distributions pursuant to this Section 12.3(c)) for the taxable period of the Company during which the liquidation of the Company occurs (with such date of occurrence being determined pursuant to Treasury Regulation Section 1.704-1(b)(2)(ii)(g)), and such distribution shall be made by the end of such taxable period (or, if later, within 90 days after said date of such occurrence).

Section 12.4 *Cancellation of Certificate of Formation*. Upon the completion of the distribution of Company cash and property as provided in Section 12.3 in connection with the liquidation of the Company, the Certificate of Formation and all qualifications of the Company as a foreign limited liability company in jurisdictions other than the State of Delaware shall be canceled and such other actions as may be necessary to terminate the Company shall be taken.

Section 12.5 *Return of Contributions*. The Managing Member shall not be personally liable for, and shall have no obligation to contribute or loan any monies or property to the Company to enable it to effectuate, the return of the Capital Contributions of the Members or Unitholders, or any portion thereof, it being expressly understood that any such return shall be made solely from assets of the Company.

Section 12.6 *Waiver of Partition*. To the maximum extent permitted by law, each Member hereby waives any right to partition of the Company property.

Section 12.7 *Capital Account Restoration*. No Non-Managing Member shall have any obligation to restore any negative balance in its Capital Account upon liquidation of the Company. The Managing Member shall be obligated to restore any negative balance in its Capital Account upon liquidation of its interest in the Company by the end of the taxable year of the Company during which such liquidation occurs, or, if later, within 90 days after the date of such liquidation.

ARTICLE XIII
AMENDMENT OF LIMITED LIABILITY COMPANY AGREEMENT

Section 13.1 *Amendments*. This Agreement may be amended, supplemented, waived or modified by the written consent of the Managing Member in its sole discretion without the approval of any other Member or other Person; *provided* that except as otherwise provided herein, no amendment may modify the limited liability of any Member, or increase the liabilities or obligations of any Member, in each case, without the consent of each such affected Member. Any amendment to this Agreement may be implemented and reflected in a writing executed solely by the Managing Member, and the Non-Managing Member(s) shall be deemed a party to and bound by such amendment. Notwithstanding the foregoing, the Managing Member shall not amend this Agreement in a manner that disproportionately and

adversely affects any Non-Managing Member relative to the other Non-Managing Members (other than in a de minimis non-economic respect), in each case, solely in each such Non-Managing Member's capacity as a Member, without the written consent of such adversely affected Non-Managing Member.

ARTICLE XIV
GENERAL PROVISIONS

Section 14.1 *Addresses and Notices; Written Communications*.

(a) Any notice, demand, request, report or proxy materials required or permitted to be given or made to the Members under this Agreement shall be in writing and shall be deemed given or made when delivered in person or when sent by first class United States mail or by other means of written communication to the Members at the address described below. Any notice, payment or report to be given or made to the Members hereunder shall be deemed conclusively to have been given or made, and the obligation to give such notice or report or to make such payment shall be deemed conclusively to have been fully satisfied, upon sending of such notice, payment or report to the Record Holder of such Membership Interests at his address as shown in the records of the Company, regardless of any claim of any Person who may have an interest in such Membership Interests by reason of any assignment or otherwise. Notwithstanding the foregoing, if (i) the Members shall consent to receiving notices, demands, requests, reports or proxy materials via electronic mail or by the Internet or (ii) the rules of the Commission shall permit any report or proxy materials to be delivered electronically or made available via the Internet, any such notice, demand, request, report or proxy materials shall be deemed given or made when delivered or made available via such mode of delivery. An affidavit or certificate of making of any notice, payment or report in accordance with the provisions of this Section 14.1(a) executed by the Managing Member or the mailing organization shall be prima facie evidence of the giving or making of such notice, payment or report. If any notice, payment or report given or made in accordance with the provisions of this Section 14.1(a) is returned marked to indicate that such notice, payment or report was unable to be delivered, such notice, payment or report and, in the case of notices, payments or reports returned by the United States Postal Service (or other physical mail delivery mail service outside the United States of America), any subsequent notices, payments and reports shall be deemed to have been duly given or made without further mailing (until such time as such Record Holder or another Person notifies the Company of a change in his address) or other delivery if they are available for the Member at the principal office of the Company for a period of one year from the date of the giving or making of such notice, payment or report to the other Members. Any notice to the Company shall be deemed given if received by the Managing Member at the principal office of the Company designated pursuant to Section 2.3. The Managing Member may rely and shall be protected in relying on any notice or other document from any Member or other Person if believed by it to be genuine.

(b) The terms "in writing," "written communications," "written notice" and words of similar import shall be deemed satisfied under this Agreement by use of e-mail and other forms of electronic communication.

Section 14.2 *Further Action*. The parties shall execute and deliver all documents, provide all information and take or refrain from taking action as may be necessary or appropriate to achieve the purposes of this Agreement.

Section 14.3 *Binding Effect*. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their heirs, executors, administrators, successors, legal representatives and permitted assigns.

Section 14.4 *Integration*. This Agreement constitutes the entire agreement among the parties hereto pertaining to the subject matter hereof and supersedes all prior agreements and understandings pertaining thereto.

Section 14.5 *Creditors*. None of the provisions of this Agreement shall be for the benefit of, or shall be enforceable by, any creditor of the Company.

Section 14.6 *Waiver*. No failure by any party to insist upon the strict performance of any covenant, duty, agreement or condition of this Agreement or to exercise any right or remedy consequent upon a breach thereof shall constitute waiver of any such breach of any other covenant, duty, agreement or condition.

Section 14.7 *Counterparts*. This Agreement may be executed in counterparts, all of which together shall constitute an agreement binding on all the parties hereto, notwithstanding that all such parties are not signatories to the original or the same counterpart.

Section 14.8 *Applicable Law; Forum; Venue and Jurisdiction; Waiver of Trial by Jury; Attorney Fees*.

(a) This Agreement shall be construed in accordance with and governed by the laws of the State of Delaware, without regard to the principles of conflicts of law.

(b) Each of the Members and each Person holding any beneficial interest in the Company (whether through a broker, dealer, bank, trust company or clearing corporation or an agent of any of the foregoing or otherwise):

(i) irrevocably agrees that any claims, suits, actions or proceedings (A) arising out of or relating in any way to this Agreement (including any claims, suits or actions to interpret, apply or enforce the provisions of this Agreement or the duties, obligations or liabilities among Members or of Members to the Company, or the rights or powers of, or restrictions on, the Members or the Company), (B) brought in a derivative manner on behalf of the Company, (C) asserting a claim of breach of a fiduciary or other duty owed by any director, officer, or other employee of the Company, or owed by the Managing Member, to the Company or the Non-Managing Members, (D) asserting a claim arising pursuant to any provision of the Delaware Act or (E) asserting a claim governed by the internal affairs doctrine shall be exclusively brought in the Court of Chancery of the State of Delaware (or, if such court does not have subject matter jurisdiction thereof, any other court located in the State of Delaware with subject matter jurisdiction), in each case regardless of

whether such claims, suits, actions or proceedings sound in contract, tort, fraud or otherwise, are based on common law, statutory, equitable, legal or other grounds, or are derivative or direct claims;

(ii) irrevocably submits to the exclusive jurisdiction of the Court of Chancery of the State of Delaware (or, if such court does not have subject matter jurisdiction thereof, any other court located in the State of Delaware with subject matter jurisdiction) in connection with any such claim, suit, action or proceeding;

(iii) agrees not to, and waives any right to, assert in any such claim, suit, action or proceeding that (A) it is not personally subject to the jurisdiction of the Court of Chancery of the State of Delaware or of any other court to which proceedings in the Court of Chancery of the State of Delaware may be appealed, (B) such claim, suit, action or proceeding is brought in an inconvenient forum, or (C) the venue of such claim, suit, action or proceeding is improper;

(iv) expressly waives any requirement for the posting of a bond by a party bringing such claim, suit, action or proceeding;

(v) consents to process being served in any such claim, suit, action or proceeding by mailing, certified mail, return receipt requested, a copy thereof to such party at the address in effect for notices hereunder, and agrees that such services shall constitute good and sufficient service of process and notice thereof; *provided*, nothing in this clause (v) shall affect or limit any right to serve process in any other manner permitted by law;

(vi) IRREVOCABLY WAIVES THE RIGHT TO TRIAL BY JURY IN ANY SUCH CLAIM, SUIT, ACTION OR PROCEEDING; and

(vii) agrees that if such Member or Person does not obtain a judgment on the merits that substantially achieves, in substance and amount, the full remedy sought in any such claim, suit, action or proceeding, then such Member or Person shall be obligated to reimburse the Company and its Affiliates for all fees, costs and expenses of every kind and description, including but not limited to all reasonable attorneys' fees and other litigation expenses, that the parties may incur in connection with such claim, suit, action or proceeding.

Section 14.9 *Invalidity of Provisions*. If any provision or part of a provision of this Agreement is or becomes for any reason, invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions and part thereof contained herein shall not be affected thereby and this Agreement shall, to the fullest extent permitted by law, be reformed and construed as if such invalid, illegal or unenforceable provision, or part of a provision, had never been contained herein, and such provision or part reformed so that it would be valid, legal and enforceable to the maximum extent possible.

Section 14.10 *Consent of Members*. Each Member hereby expressly consents and agrees that, whenever in this Agreement it is specified that an action may be taken upon the

affirmative vote or consent of less than all of the Members, such action may be so taken upon the concurrence of less than all of the Members and each Member shall be bound by the results of such action.

Section 14.11 *Facsimile and Email Signatures*. The use of facsimile signatures and signatures delivered by email in portable document format (.pdf) or similar format affixed in the name and on behalf of the Company on certificates representing Membership Interests is expressly permitted by this Agreement.

Section 14.12 *Third-Party Beneficiaries*. Each Member agrees that any Indemnitee shall be entitled to assert rights and remedies hereunder as a third-party beneficiary hereto with respect to those provisions of this Agreement affording a right, benefit or privilege to such Indemnitee.

[Signature page follows.]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first set forth above.

Viper Energy, Inc.

By: /s/ Matthew Kaes Van't Hof
Name: Matthew Kaes Van't Hof
Title: President

Diamondback Energy, Inc.

By: /s/ Matthew Kaes Van't Hof
Name: Matthew Kaes Van't Hof
Title: President and Chief Financial Officer

Diamondback E&P LLC

By: /s/ Matthew Kaes Van't Hof
Name: Matthew Kaes Van't Hof
Title: President and Chief Financial Officer

Tumbleweed Royalty IV, LLC

By: /s/ Cody C. Campbell
Name: Cody C. Campbell
Title: Co-Chief Executive Officer

EXHIBIT A

Unitholders

Name	Address	Number of Units
Viper Energy, Inc.	500 West Texas Ave., Suite 100, Midland, TX 79701	102,947,008
Diamondback Energy, Inc.	500 West Texas Ave., Suite 100, Midland, TX 79701	77,364,925
Diamondback E&P LLC	500 West Texas Ave., Suite 100, Midland, TX 79701	8,066,528
Tumbleweed Royalty IV, LLC	3724 Hulen Street, Fort Worth, TX 76107	10,093,670

EXHIBIT B

Intentionally Omitted

EXHIBIT C

Adoption Agreement

This Adoption Agreement is executed by the undersigned pursuant to the Third Amended and Restated Limited Liability Company Agreement of Viper Energy Partners LLC (the "***Company***"), dated as of October 1, 2024, as amended, restated or supplemented from time to time, a copy of which is attached hereto and is incorporated herein by reference (the "***Agreement***"). By the execution of this Adoption Agreement, the undersigned agrees as follows:

1. Acknowledgment. The undersigned acknowledges that he/she is acquiring [____] Units of the Company as a Member, subject to the terms and conditions of the Agreement (including the Exhibits thereto), as amended from time to time. Capitalized terms used herein without definition are defined in the Agreement and are used herein with the same meanings set forth therein.

2. Agreement. The undersigned hereby joins in, and agrees to be bound by, subject to, and enjoy the benefit of the applicable rights set forth in, the Agreement (including the Exhibits thereto), as amended from time to time, with the same force and effect as if he/she were originally a party thereto.

3. Notice. Any notice required or permitted by the Agreement shall be given to the undersigned at the address listed below.

EXECUTED AND DATED on this _____ day of _____, 20__.

[NAME]

By: _____

Name:

Title:

Notice Address:

Facsimile:

Exhibit 4.5
Execution Version

THIRD SUPPLEMENTAL INDENTURE

THIRD SUPPLEMENTAL INDENTURE (this "*Supplemental Indenture*"), dated as of October 16, 2024, among King Snake Royalty LLC, a Texas limited liability company ("*King Snake*"), Sidewinder Snake Royalty LLC, a Texas limited liability company (together with King Snake, the "*Guaranteeing Subsidiaries*"), each an indirect subsidiary of Viper Energy, Inc., a Delaware corporation (the "*Company*"), the Company, Viper Energy Partners LLC, a Delaware limited liability company, Queen Snake Royalty LLC, a Delaware limited liability company, Mamba Royalty LP, a Delaware limited partnership, Moccasin Royalty LLC, a Delaware limited liability company, and Computershare Trust Company, National Association (successor to Wells Fargo Bank, National Association), as trustee under the Indenture referred to below (the "*Trustee*").

W I T N E S S E T H

WHEREAS, the Company has heretofore executed and delivered to the Trustee an indenture (as amended and supplemented to the date hereof, the "*Indenture*"), dated as of October 16, 2019, providing for the issuance of 5.375% Senior Notes due 2027 (the "*Notes*");

WHEREAS, the Indenture provides that under certain circumstances the Guaranteeing Subsidiaries shall execute and deliver to the Trustee a supplemental indenture pursuant to which the Guaranteeing Subsidiaries shall unconditionally guarantee all of the Company's Obligations under the Notes and the Indenture on the terms and conditions set forth herein (the "*Note Guarantee*");

WHEREAS, the Company is delivering to the Trustee an Officers' Certificate and an Opinion of Counsel, each stating that the execution and delivery of this Supplemental Indenture is authorized and permitted by the Indenture; and

WHEREAS, pursuant to Section 9.01 of the Indenture, the Trustee is authorized to execute and deliver this Supplemental Indenture without the consent of any Holder of Notes.

NOW, THEREFORE, in consideration of the foregoing and for other good and valuable consideration, the receipt of which is hereby acknowledged, the Guaranteeing Subsidiaries, the Trustee and the other parties hereto mutually covenant and agree for the equal and ratable benefit of the Holders of the Notes as follows:

1. CAPITALIZED TERMS. Capitalized terms used herein without definition shall have the meanings assigned to them in the Indenture.

2. AGREEMENT TO GUARANTEE. Subject to Article 10 of the Indenture, the Guaranteeing Subsidiaries, jointly and severally with the other Guarantors, unconditionally guarantee to each Holder of a Note authenticated and delivered by the Trustee and to the Trustee and its successors and assigns, that: (1) the principal of, premium on, if any, and interest, if any, on, the Notes will be promptly paid in full when due, whether at maturity, by acceleration, redemption or otherwise, and interest on the overdue principal of, premium on, if any, and interest, if any, on, the Notes, if lawful, and all other obligations of the Company to the Holders or the Trustee under the Indenture or the Notes will be promptly paid in full or performed, all in accordance with the terms of the Indenture and the Notes; and (2) in case of any extension of time of payment or renewal of any Notes or any of such other obligations, that the same will be promptly paid in full when due or performed in accordance with the terms of the extension or renewal, whether at stated maturity, by acceleration or otherwise.

3. NO RECOURSE AGAINST OTHERS. No director, officer, employee, incorporator or stockholder of the Company or any Guarantor, as such, will have any liability for any obligations of the Company or the Guarantors under the Notes, the Indenture, the Note Guarantees or for any claim based on, in respect of, or by reason of, such obligations or their creation. Each Holder of Notes by accepting a Note waives and releases all such liability. The waiver and release are part of the consideration for issuance of the Notes.

4. NEW YORK LAW TO GOVERN. THE INTERNAL LAW OF THE STATE OF NEW YORK SHALL GOVERN AND BE USED TO CONSTRUE THIS SUPPLEMENTAL INDENTURE WITHOUT GIVING EFFECT TO APPLICABLE PRINCIPLES OF CONFLICTS OF LAW TO THE EXTENT THAT THE APPLICATION OF THE LAWS OF ANOTHER JURISDICTION WOULD BE REQUIRED THEREBY.

5. COUNTERPARTS. The parties may sign any number of copies of this Supplemental Indenture. Each signed copy shall be an original, but all of them together represent the same agreement. The exchange of copies of this Supplemental Indenture and of signature pages by facsimile or Portable Document Format ("*PDF*") transmission shall constitute effective execution and delivery of this instrument as to the parties hereto and may be used in lieu of the original instrument for all purposes. Signatures of the parties hereto transmitted by facsimile or PDF shall be deemed to be their original signatures for all purposes.

6. EFFECT OF HEADINGS. The Section headings herein are for convenience only and shall not affect the construction hereof.

7. THE TRUSTEE. The Trustee shall not be responsible in any manner whatsoever for or in respect of the validity or sufficiency of this Supplemental Indenture or for or in respect of the recitals contained herein, all of which recitals are made solely by the Guaranteeing Subsidiaries and the Company.

IN WITNESS WHEREOF, the parties hereto have caused this Supplemental Indenture to be duly executed and attested, all as of the date first above written.

GUARANTEEING SUBSIDIARIES:

KING SNAKE ROYALTY LLC

By: /s/ Travis D. Stice
Name: Travis D. Stice
Title: Chief Executive Officer

SIDEWINDER SNAKE ROYALTY LLC

By: /s/ Travis D. Stice
Name: Travis D. Stice
Title: Chief Executive Officer

ISSUER:

VIPER ENERGY, INC.

By: /s/ Travis D. Stice
Name: Travis D. Stice
Title: Chief Executive Officer

OTHER GUARANTORS:

VIPER ENERGY PARTNERS LLC

By: /s/ Travis D. Stice
Name: Travis D. Stice
Title: Chief Executive Officer

QUEEN SNAKE ROYALTY LLC

By: /s/ Travis D. Stice
Name: Travis D. Stice
Title: Chief Executive Officer

MAMBA ROYALTY LP

By: Moccasin Royalty LLC, its general partner

By: /s/ Travis D. Stice
Name: Travis D. Stice
Title: Chief Executive Officer

MOCCASIN ROYALTY LLC

By: /s/ Travis D. Stice
Name: Travis D. Stice
Title: Chief Executive Officer

TRUSTEE:

COMPUTERSHARE TRUST COMPANY, NATIONAL ASSOCIATION, as Trustee

By: /s/ David S. Pickett
Name: David S. Pickett
Title: Assistant Vice President

Exhibit 4.6
Execution Version

THIRD SUPPLEMENTAL INDENTURE

THIRD SUPPLEMENTAL INDENTURE (this "*Supplemental Indenture*"), dated as of October 16, 2024, among King Snake Royalty LLC, a Texas limited liability company ("*King Snake*"), Sidewinder Snake Royalty LLC, a Texas limited liability company (together with King Snake, the "*Guaranteeing Subsidiaries*"), each an indirect subsidiary of Viper Energy, Inc., a Delaware corporation (the "*Company*"), the Company, Viper Energy Partners LLC, a Delaware limited liability company, Queen Snake Royalty LLC, a Delaware limited liability company, Mamba Royalty LP, a Delaware limited partnership, Moccasin Royalty LLC, a Delaware limited liability company, and Computershare Trust Company, National Association, as trustee under the Indenture referred to below (the "*Trustee*").

W I T N E S S E T H

WHEREAS, the Company has heretofore executed and delivered to the Trustee an indenture (as amended and supplemented to the date hereof, the "*Indenture*"), dated as of October 19, 2023, providing for the issuance of 7.375% Senior Notes due 2031 (the "*Notes*");

WHEREAS, the Indenture provides that under certain circumstances the Guaranteeing Subsidiaries shall execute and deliver to the Trustee a supplemental indenture pursuant to which the Guaranteeing Subsidiaries shall unconditionally guarantee all of the Company's Obligations under the Notes and the Indenture on the terms and conditions set forth herein (the "*Note Guarantee*");

WHEREAS, the Company is delivering to the Trustee an Officers' Certificate and an Opinion of Counsel, each stating that the execution and delivery of this Supplemental Indenture is authorized and permitted by the Indenture; and

WHEREAS, pursuant to Section 9.01 of the Indenture, the Trustee is authorized to execute and deliver this Supplemental Indenture without the consent of any Holder of Notes.

NOW, THEREFORE, in consideration of the foregoing and for other good and valuable consideration, the receipt of which is hereby acknowledged, the Guaranteeing Subsidiaries, the Trustee and the other parties hereto mutually covenant and agree for the equal and ratable benefit of the Holders of the Notes as follows:

1. CAPITALIZED TERMS. Capitalized terms used herein without definition shall have the meanings assigned to them in the Indenture.

2. AGREEMENT TO GUARANTEE. Subject to Article 10 of the Indenture, the Guaranteeing Subsidiaries, jointly and severally with the other Guarantors, unconditionally guarantee to each Holder of a Note authenticated and delivered by the Trustee and to the Trustee and its successors and assigns, that: (1) the principal of, premium on, if any, and interest, if any, on, the Notes will be promptly paid in full when due, whether at maturity, by acceleration, redemption or otherwise, and interest on the overdue principal of, premium on, if any, and interest, if any, on, the Notes, if lawful, and all other obligations of the Company to the Holders or the Trustee under the Indenture or the Notes will be promptly paid in full or performed, all in accordance with the terms of the Indenture and the Notes; and (2) in case of any extension of time of payment or renewal of any Notes or any of such other obligations, that the same will be promptly paid in full when due or performed in accordance with the terms of the extension or renewal, whether at stated maturity, by acceleration or otherwise.

3. NO RECOURSE AGAINST OTHERS. No director, officer, employee, incorporator or stockholder of the Company or any Guarantor, as such, will have any liability for any obligations of the Company or the Guarantors under the Notes, the Indenture, the Note Guarantees or for any claim based on, in respect of, or by reason of, such obligations or their creation. Each Holder of Notes by accepting a Note waives and releases all such liability. The waiver and release are part of the consideration for issuance of the Notes.

4. NEW YORK LAW TO GOVERN. THE INTERNAL LAW OF THE STATE OF NEW YORK SHALL GOVERN AND BE USED TO CONSTRUE THIS SUPPLEMENTAL INDENTURE WITHOUT GIVING EFFECT TO APPLICABLE PRINCIPLES OF CONFLICTS OF LAW TO THE EXTENT THAT THE APPLICATION OF THE LAWS OF ANOTHER JURISDICTION WOULD BE REQUIRED THEREBY.

5. COUNTERPARTS. The parties may sign any number of copies of this Supplemental Indenture. Each signed copy shall be an original, but all of them together represent the same agreement. The exchange of copies of this Supplemental Indenture and of signature pages by facsimile or Portable Document Format ("*PDF*") transmission shall constitute effective execution and delivery of this instrument as to the parties hereto and may be used in lieu of the original instrument for all purposes. Signatures of the parties hereto transmitted by facsimile or PDF shall be deemed to be their original signatures for all purposes.

6. EFFECT OF HEADINGS. The Section headings herein are for convenience only and shall not affect the construction hereof.

7. THE TRUSTEE. The Trustee shall not be responsible in any manner whatsoever for or in respect of the validity or sufficiency of this Supplemental Indenture or for or in respect of the recitals contained herein, all of which recitals are made solely by the Guaranteeing Subsidiaries and the Company.

IN WITNESS WHEREOF, the parties hereto have caused this Supplemental Indenture to be duly executed and attested, all as of the date first above written.

GUARANTEEING SUBSIDIARIES:

KING SNAKE ROYALTY LLC

By: /s/ Travis D. Stice
Name: Travis D. Stice
Title: Chief Executive Officer

SIDEWINDER SNAKE ROYALTY LLC

By: /s/ Travis D. Stice
Name: Travis D. Stice
Title: Chief Executive Officer

ISSUER:

VIPER ENERGY, INC.

By: /s/ Travis D. Stice
Name: Travis D. Stice
Title: Chief Executive Officer

OTHER GUARANTORS:

VIPER ENERGY PARTNERS LLC

By: /s/ Travis D. Stice
Name: Travis D. Stice
Title: Chief Executive Officer

QUEEN SNAKE ROYALTY LLC

By: /s/ Travis D. Stice
Name: Travis D. Stice
Title: Chief Executive Officer

MAMBA ROYALTY LP

By: Moccasin Royalty LLC, its general partner

By: /s/ Travis D. Stice
Name: Travis D. Stice
Title: Chief Executive Officer

MOCCASIN ROYALTY LLC

By: /s/ Travis D. Stice
Name: Travis D. Stice
Title: Chief Executive Officer

TRUSTEE:

COMPUTERSHARE TRUST COMPANY, NATIONAL ASSOCIATION, as Trustee

By: /s/ David S. Pickett
Name: David S. Pickett
Title: Assistant Vice President

EXHIBIT 31.1

CERTIFICATION

I, Travis D. Stice, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Viper Energy, Inc. (the "registrant").
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 Rules 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: November 7, 2024

/s/ Travis D. Stice

Travis D. Stice

Chief Executive Officer

Viper Energy, Inc.

EXHIBIT 31.2

CERTIFICATION

I, Teresa L. Dick, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Viper Energy, Inc. (the "registrant").
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 Rules 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: November 7, 2024

/s/ Teresa L. Dick

Teresa L. Dick

Chief Financial Officer

Viper Energy, Inc.

EXHIBIT 32.1

CERTIFICATION OF PERIOD REPORT

In connection with the Quarterly Report on Form 10-Q of Viper Energy, Inc. (the "Company"), as filed with the Securities and Exchange Commission on the date hereof (the "Report"), the undersigned, Travis D. Stice, Chief Executive Officer of Viper Energy, Inc., and Teresa L. Dick, Chief Financial Officer of Viper Energy, Inc., certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to their 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: November 7, 2024

/s/ Travis D. Stice

Travis D. Stice

Chief Executive Officer

Viper Energy, Inc.

Date: November 7, 2024

/s/ Teresa L. Dick

Teresa L. Dick

Chief Financial Officer

Viper Energy, Inc.