

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

FORM 10-K/A
(Amendment No. 1)

- ANNUAL REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the fiscal year ended December 31, 2012
OR
- TRANSITION REPORT UNDER SECTION 13 OR 15(d) OF SECURITIES EXCHANGE ACT OF 1934**
Commission File Number 001-35700

Diamondback Energy, Inc.

(Exact Name of Registrant As Specified in Its Charter)

Delaware

(State or Other Jurisdiction of
Incorporation or Organization)

**500 West Texas, Suite 1225
Midland, Texas**

(Address of Principal Executive Offices)

45-4502447

(IRS Employer
Identification Number)

79701

(Zip Code)

(Registrant Telephone Number, Including Area Code): **(432) 221-7400**

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

Title of Each Class

Common Stock, par value
\$0.01 per share

Name of Each Exchange on Which
Registered

The NASDAQ Stock Market LLC

Securities registered pursuant to Section 12(g) of the Act: **None**

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes No

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 and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§ 229.405 of this chapter) is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large Accelerated Filer

Accelerated Filer

Non-Accelerated Filer

Smaller Reporting Company

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 June 30, 2012, the last business day of the registrant's most recently completed second fiscal quarter, there was no public market for the registrant's common stock. The registrant's common stock began trading on the NASDAQ Global Select Market on October 12, 2012.

The aggregate market value of the voting and non-voting common stock held by non-affiliates of the registrant computed as of December 31, 2012 based on the closing price of the common stock on the NASDAQ Global Select Market on December 31, 2012 (\$19.12 per share) was \$393,334,919.

As of February 22, 2013, 36,986,532 shares of the registrant's common stock were outstanding.

DIAMONDBACK ENERGY, INC.
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EXPLANATORY NOTE

Diamondback Energy, Inc., a Delaware corporation (the “Company”), is filing this Amendment No. 1 on Form 10-K/A (this “Amendment”) to its Annual Report on Form 10-K for the fiscal year ended December 31, 2012, which was originally filed on March 1, 2013 (the “Original Filing”), to incorporate information previously omitted from Part III, Items 10, 11, 12, 13 and 14 and to amend and restate the Exhibit Index.

Other than as set forth herein, this Amendment does not affect any other parts of or exhibits to the Original Filing, and those unaffected parts or exhibits are not included in this Amendment. This Amendment continues to speak as of the date of the Original Filing and the Company has not updated the disclosure contained herein to reflect events that have occurred since the filing of the Original Filing. Accordingly, this Amendment should be read in conjunction with the Company’s other filings made with the Securities and Exchange Commission subsequent to the filing of the Original Filing, including amendments to those filings, if any.

PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

Our Directors

STEVEN E. WEST, age 52. Mr. West has served as a director of our company since December 2011 and Chairman of the Board since October 2012. Mr. West served as our Chief Executive Officer from January 1, 2009 to December 31, 2011. Since January 2011, Mr. West has been a partner at Wexford Capital LP, focusing on Wexford’s private equity energy investments. From August 2006 until December 2010, Mr. West served as senior portfolio advisor at Wexford. From August 2003 until August 2006, Mr. West was the chief financial officer of Sunterra Corporation, a former Wexford portfolio company. From December 1993 until July 2003, Mr. West held senior financial positions at Coast Asset Management and IndyMac Bank. Prior to that, Mr. West worked at First Nationwide Bank, Lehman Brothers and Peat Marwick Mitchell & Co., the predecessor of KPMG LLP. Mr. West holds a Bachelor of Science degree in Accounting from California State University, Chico. We believe Mr. West’s background in finance, accounting and private equity energy investments, as well as his executive management skills developed as part of his career with Wexford, its portfolio companies and other financial institutions qualify him to serve on our board of directors.

TRAVIS D. STICE, age 51. Mr. Stice has served as our Chief Executive Officer since January 2012 and as a director of our company since November 2012. Prior to his current positions with us, he served as our President and Chief Operating Officer from April 2011 to January 2012. He served as a Vice President of Laredo Petroleum Holdings, Inc. from September 2008 to September 2010. Prior to that, Mr. Stice held a series of positions of increasing responsibilities at Burlington Resources until Burlington Resources’ acquisition by ConocoPhillips in March 2006. He started his career with Mobil Oil in 1985. Mr. Stice has over 28 years of industry experience in production operations, reservoir engineering, production engineering and unconventional oil and gas exploration and over 20 years of management experience. Mr. Stice graduated from Texas A&M University with a Bachelor of Science degree in Petroleum Engineering. Mr. Stice is a registered engineer in the State of Texas, and is a 25-year member of the Society of Petroleum Engineers. We believe that Mr. Stice’s leadership within the company, his management experience, and his knowledge of the critical internal and external challenges facing the company and the oil and natural gas industry as a whole qualify him for service on our board of directors.

MICHAEL P. CROSS, age 61. Mr. Cross has served as a director of our company since October 2012. Mr. Cross is President and owner of Michael P. Cross, Inc., an independent oil and natural gas producer, a position he has held since July 1994. Mr. Cross also currently serves as a director of Warren Equipment Company, a position he has held since 2002. Mr. Cross has also served as a member of the Oklahoma Energy Resources Board since February 2005 and has been a member of the Executive Committee since 2007. Mr. Cross also served as a member of the Board of Directors of the Oklahoma Independent Petroleum Association for over 15 years. Mr. Cross served on the Board of Directors for OGE Energy GP LLC from October 2007 to October 2008. Mr. Cross also served as CEO and President of Windsor Energy Resources, Inc. from December 2005 until December 2006. Mr. Cross served as President and Manager of Twister Gas Services, L.L.C., an oil and gas exploration, production and marketing company, from its inception in 1996 until June 2003 and served as President of its predecessor, Twister Transmission Company, from 1990 to 1996. Mr. Cross graduated from Oklahoma State University in 1973 with a BS in

Business Administration. We believe that Mr. Cross's strong oil and gas background and executive management experience qualify him for service on our board of directors.

DAVID L. HOUSTON, age 60. Mr. Houston has served as a director of our company since October 2012. Since 1991, Mr. Houston has been the principal of Houston & Associates, a firm that offers life and disability insurance, compensation and benefits plans and estate planning. Prior to 1991, Mr. Houston was President and Chief Executive Officer of Equity Bank for Savings, F.A., an Oklahoma-based savings bank and is the former chair of the Oklahoma State Ethics Commission and the Oklahoma League of Savings Institutions. In May 1992, in settlement of administrative litigation (and without any finding or admission of guilt) brought by the U.S. Office of Thrift Supervision against him in his capacity as an executive officer of a thrift institution, Mr. Houston entered into a consent order under which he agreed not to serve as an officer of, or participate in the affairs of, insured depository institutions. The order relates to alleged violations of certain lending practices in early 1990 or before. Mr. Houston served on the board of directors and executive committee of Deaconess Hospital, Oklahoma City, Oklahoma, from January 1993 until December 2008 and is the former chair of the Oklahoma State Ethics Commission and the Oklahoma League of Savings Institutions. Mr. Houston has served as a director of Gulfport since July 1998 and is the chairman of its audit committee. He also served as a director of Bronco Drilling Company from May 2005 until December 2010 and was a member of its audit committee. Mr. Houston received a Bachelor of Science degree in business from Oklahoma State University and a graduate degree in banking from Louisiana State University. We believe that Mr. Houston's financial background and his executive management experience qualify him for service on our board of directors.

MARK L. PLAUMANN, age 57. Mr. Plaumann has served as a director of our company since October 2012. He is currently a Managing Member of Greyhawke Capital Advisors LLC, or Greyhawke, which he co-founded in 1998. Prior to founding Greyhawke, Mr. Plaumann was a Senior Vice President of Wexford Capital LP. Mr. Plaumann was formerly a Managing Director of Alvarez & Marsal, Inc. and the President of American Healthcare Management, Inc. He also was Senior Manager at Ernst & Young LLP. Mr. Plaumann served as a director and audit committee chairman for ICx Technologies, Inc. until October 2010 and currently serves as a director and audit committee chairman of Republic Airways Holdings, Inc., and a director of one private company. Mr. Plaumann also has served as a director, an audit committee chairman and a member of the conflicts committee of the general partner of Rhino Resource Partners LP, a coal operating company, since October 2010. Mr. Plaumann holds an M.B.A. and a B.A. in Business from the University of Central Florida. We believe that Mr. Plaumann's service on the boards of other public companies and his executive management experience, including previous experience as chairman of audit committees, qualifies him for service on our board of directors.

Investors Rights Agreement

In connection with our acquisition of oil and natural gas properties from Gulfport Energy Corporation, or Gulfport, immediately prior to the completion of our initial public offering in October 2012, we entered into an investors rights agreement with Gulfport under which Gulfport has a right, for so long as it beneficially owns more than 10% of our outstanding common stock, to designate one individual as a nominee to serve on our board of directors. Such nominee, if elected to our board of directors, will also serve on each committee of the board of directors so long as he or she satisfies the independence and other requirements for service on the applicable committee. So long as Gulfport has the right to designate a nominee to our board of directors and there is no Gulfport nominee actually serving as our director, Gulfport will have the right to appoint one individual as an advisor to the board of directors who shall be entitled to attend board and committee meetings. Mr. David Houston is Gulfport's nominee pursuant to the investor rights agreement.

Our Executive Officers

The following table sets forth the name, age and positions of each of our executive officers as of April 1, 2013:

Name	Age	Position
Travis D. Stice	51	Chief Executive Officer and Director
Teresa L. Dick	43	Chief Financial Officer, Senior Vice President
Russell D. Pantermuehl	53	Vice President—Reservoir Engineering
Paul S. Molnar	57	Vice President—Geoscience
Michael L. Hollis	37	Vice President—Drilling
William F. Franklin	58	Vice President—Land
Jeffrey F. White	56	Vice President—Operations
Randall J. Holder	59	Vice President, General Counsel and Secretary

Biographical information for Mr. Stice is set forth under the heading “Our Directors.”

TERESA L. DICK. Ms. Dick has served as our Chief Financial Officer and Senior Vice President since November 2009. Prior to her current position with us, Ms. Dick served as our Corporate Controller from November 2007 until November 2009. From June 2006 to November 2007, Ms. Dick held a key management position as the Controller/Tax Director at Hiland Partners, a publicly-traded midstream energy master limited partnership. Ms. Dick has over 19 years of accounting experience, including over eight years of public company experience in both audit and tax areas. Ms. Dick received her Bachelor of Business Administration degree in Accounting from the University of Northern Colorado. Ms. Dick is a certified public accountant and a member of the American Institute of CPAs and the Council of Petroleum Accountants Societies.

RUSSELL D. PANTERMUEHL. Mr. Pantermuehl joined us in August 2011 as Vice President—Reservoir Engineering. Prior to his current position with us, Mr. Pantermuehl served as a reservoir engineering supervisor for Concho Resources Inc., an oil and gas exploration company, from March 2010 to August 2011. Mr. Pantermuehl worked for ConocoPhillips Company as a reservoir engineering advisor from January 2005 to March 2010. Mr. Pantermuehl also worked as an independent consultant in the oil and gas industry from March 2000 to December 2004. Mr. Pantermuehl received a Bachelor of Science degree in Petroleum Engineering from Texas A&M University.

PAUL S. MOLNAR. Mr. Molnar joined us in August 2011 as Vice President—Geoscience. Prior to his current position with us, Mr. Molnar served as a Senior District Geologist for Samson Investment Company, an oil and gas exploration company, from March 2011 to August 2011. Mr. Molnar worked as an asset supervisor and geosciences supervisor for ConocoPhillips Company from April 2006 to February 2011. Mr. Molnar also worked as a geologic advisor for Burlington Resources, an oil and gas exploration company, from December 1996 to March 2006. Mr. Molnar has over 31 years of industry experience. Mr. Molnar received a Bachelor of Science degree in Geoscience from the State University of New York, College at Buffalo and a Master of Science degree in Geology from the State University of New York, University at Buffalo.

MICHAEL L. HOLLIS. Mr. Hollis joined us in September 2011 as Vice President—Drilling. Prior to his current position with us, Mr. Hollis served in various roles, most recently as drilling manager at Chesapeake Energy Corporation, an oil and gas exploration company, from June 2006 to September 2011. Mr. Hollis worked for ConocoPhillips Company as a senior drilling engineer from January 2004 to June 2006 and as a process engineer from 2001 to 2003. Mr. Hollis also worked as a production engineer for Burlington Resources from 1998 to 2001 as well as from June 2003 to January 2004. Mr. Hollis received his Bachelor of Science degree in Chemical Engineering from Louisiana State University.

WILLIAM F. FRANKLIN. Mr. Franklin joined us in August 2011 as Vice President—Land. Prior to his current position with us, Mr. Franklin worked for ConocoPhillips Company in various land management roles from May 1983 until July 2011. Mr. Franklin received a Bachelor of Arts degree in History from Oklahoma City University.

JEFF F. WHITE. Mr. White joined us in September 2011 as Vice President—Operations. Prior to his current position with us, Mr. White worked for Laredo Petroleum Holdings, Inc. as a completion manager from May 2010 to September 2011. Mr. White also worked as a staff engineer for ConocoPhillips from February 2007 to May 2009. In addition, he worked in various engineering and management positions with Anadarko Petroleum from June 1988 to June 2005. Mr. White received a Bachelor of Science degree in Petroleum Engineering from Texas Tech University. He also received a Bachelor of Science degree in Fishery Biology from New Mexico State University.

RANDALL J. HOLDER. Mr. Holder joined us in November 2011 as General Counsel and Vice President responsible for legal and human resources. Prior to his current position with us, Mr. Holder served as General Counsel and Vice President for Great White Energy Services LLC, an oilfield services company, from November 2008 to November 2011. Mr. Holder served as Executive Vice President and General Counsel for R.L. Hudson and Company, a supplier of molded rubber and plastic components, from February 2007 to October 2008. Mr. Holder was in private practice of law and a member of Holder Betz LLC from February 2005 to February 2007. Mr. Holder served as Vice President and Assistant General Counsel for Dollar Thrifty Automotive Group, a vehicle rental company, from January 2003 to February 2005 and, before that, as Vice President and General Counsel for Thrifty Rent-A-Car System, Inc., a vehicle rental company, from September 1996 to December 2002. He also served as Vice President and General Counsel for Pentastar Transportation Group, Inc. from November 1992 to September 1996, which was wholly-owned by Chrysler Corporation. Mr. Holder started his legal career with Tenneco Oil Company where he served as a Division Attorney providing legal services to the company's mid-continent division for ten years. Mr. Holder received a Juris Doctorate degree from Oklahoma City University.

Section 16(a) Beneficial Ownership Reporting Compliance

Section 16(a) of the Securities Exchange Act of 1934 requires our directors and executive officers, and persons who beneficially own more than 10% of a registered class of the Company's equity securities, to file reports of ownership and changes in ownership with the SEC and to furnish us with copies of the forms they file. To our knowledge, based solely on a review of the copies of such reports furnished to us and written representations of our officers and directors, all Section 16(a) reports for the year ended December 31, 2012 applicable to our officers and directors and such other persons were filed on a timely basis.

Code of Business Conduct and Ethics

We have adopted a Code of Business Conduct and Ethics that applies to our Chief Executive Officer, Chief Financial Officer, principal accounting officer and controller and persons performing similar functions. The Code of Business Conduct and Ethics is posted on our website at <http://ir.diamondbackenergy.com/governance.cfm>. We intend to satisfy the disclosure requirements under Item 5.05 of Form 8-K regarding an amendment to, or waiver from, a provision of the Code of Business Conduct and Ethics by posting such information on our website at the address specified above.

Audit Committee

The Company has a separately-designated Audit Committee established in accordance with Section 3(a)(58)(A) and Section 10A(m) of the Exchange Act. The Audit Committee consists of David L. Houston, Michael P. Cross, and Mark L. Plaumann (Chair). Our board of directors has determined that each member of the Audit Committee is independent for purposes of serving on such committee under the Nasdaq listing standards and applicable federal law. In addition, our board of directors has determined that each current member of the Audit Committee is financially literate under the Nasdaq listing standards and that Mark L. Plaumann qualifies as the "audit committee financial expert," as such term is defined in Item 407(d) of Regulation S-K.

ITEM 11. EXECUTIVE COMPENSATION

As an "emerging growth company," as defined in the Jumpstart our Business Startups Act of 2012, we are not required to include a Compensation Discussion and Analysis section and have elected to comply with the scaled disclosure requirements applicable to emerging growth companies.

Overview

This executive compensation section provides an overview of our executive compensation policy and each element of compensation that we provide.

Executive Compensation Policy

Our general compensation policy is guided by several key principles:

- designing competitive total compensation programs to enhance our ability to attract and retain knowledgeable and experienced senior management level employees;

- motivating employees to deliver outstanding financial performance and meet or exceed general and specific business, operational and individual objectives;
- setting compensation and incentive levels relevant to the market in which the employee provides service; and
- providing a meaningful portion of the total compensation to our named executive officers in equity, thus assuring an alignment of interests between our senior management level employees and our stockholders.

Our compensation committee determines, subject to the terms of the employment agreements with our named executive officers, the mix of compensation, both among short-term and long-term compensation and cash and non-cash compensation, to establish structures that it believes are appropriate for each of our named executive officers. We have not retained compensation consultants to advise us on compensation matters. In making compensation decisions with respect to each element of compensation, the compensation considers numerous factors, including:

- the individual's particular background and circumstances, including training and prior relevant work experience;
- the individual's role with us and the compensation paid to similar persons at comparable companies;
- the demand for individuals with the individual's specific expertise and experience at the time of hire;
- achievement of individual and company performance goals and other expectations relating to the position;
- comparison to other executives within our company having similar levels of expertise and experience and the uniqueness of the individual's industry skills; and
- aligning the compensation of our executives with the performance of our company on both a short-term and long-term basis.

Executive Compensation Program Elements

The following describes each element of our executive compensation program.

Base Salary

Our named executive officers' base salaries are determined in accordance with their respective employment agreements. Subject to applicable employment agreements, the compensation committee may increase base salaries to align such salaries with market levels for comparable positions in other companies in our industry if we identify significant market changes. Additionally, the compensation committee may adjust base salaries as warranted throughout the year for promotions or other changes in the scope or breadth of an executive's role or responsibilities. The compensation committee may also evaluate our named executive officers' salaries together with other components of their compensation to ensure that the executive's total compensation is in line with our overall compensation philosophy. Pursuant to the employment agreements with the named executive officers, as amended, the base salaries of such named executive officers can be increased or decreased from time to time by the compensation committee, but not decreased below the original base salary for such executive officer. The current base salaries for Mr. Stice, Mr. Hollis and Mr. White are \$400,000, \$276,000, and \$236,500, respectively.

Discretionary Annual Performance Bonus

In accordance with our named executive officers' employment agreements, the board of directors will have the authority to award annual cash bonuses to our named executive officers that have achieved their respective performance goals determined by the board of directors for the applicable year. Pursuant to the terms of their respective employment agreements, the amount of the annual cash bonus that each of our named executive officers (with the exception of Mr. Stice) is eligible to receive is equal to 50% of such officer's annual base salary. Mr. Stice is entitled to receive an annual bonus of at least 66% of his base salary and may receive an annual bonus of up to 133% of such his base salary upon the achievement of performance goals to be determined by the board of directors. Mr. Stice's target annual bonus is 100% of his base salary upon achievement of his performance goals. We have not established any specific performance goals for our named executive officers. For 2012, the discretionary annual bonuses were paid to our named executive officers based on their respective performances and contribution to our company in 2012 and other factors generally, including our company's performance in 2012, the value these executives bring to our company, market trends, economic climate, experience, leadership and employee retention. None of these factors was given materially greater weight than the other factors in determining the officers' bonuses.

Long Term Equity Incentive Compensation

We seek to promote an ownership culture among our executive officers in an effort to enhance our long-term performance. We believe the use of stock and stock-based awards offers the best approach to achieving our compensation goals. In connection with our initial public offering, or IPO, we adopted the Diamondback Energy, Inc. 2012 Equity Incentive Plan, or the 2012 Plan. The purpose of the 2012 Plan is to enable us, and our affiliates, to attract and retain the services of the types of employees, consultants and directors who will contribute to our long term success and to provide incentives that will be linked directly to increases in share value that will inure to the benefit of our stockholders. The 2012 Plan provides a means by which eligible recipients of awards may be given an opportunity to benefit from increases in value of our common stock through the granting of equity awards. The terms of 2012 Plan are described in more detail below.

Other Compensation and Perquisites

Consistent with our compensation philosophy, our compensation committee provides benefits to our executives that are substantially the same as those currently being offered to our other employees, including health insurance, life and disability insurance and a 401(k) plan. The benefits and perquisites that may be available to our executive officers from time to time in addition to those available to our other employees include a car allowance and club dues. A description of the 401(k) plan is below.

Employment Agreements

The following summarizes the material terms of the employment agreements we have with our named executive officers.

Travis D. Stice. Effective April 2011, we entered into an employment agreement with Mr. Stice, our Chief Executive Officer, which employment agreement was amended and restated on August 20, 2012 and further amended effective January 1, 2013. The employment agreement has a three-year term commencing as of April 18, 2011 and provides for an annual base salary that can be increased or decreased from time to time by the compensation committee, but not decreased below the original base salary of \$300,000. For 2013, Mr. Stice's salary has been set at \$400,000. Mr. Stice is also entitled to receive an annual bonus of at least 66% of his base salary and may receive an annual bonus of up to 133% of such his base salary upon the achievement of performance goals to be determined by the board of directors. Mr. Stice's target annual bonus is 100% of his base salary upon achievement of his performance goals. Mr. Stice is entitled to participate in such life and medical insurance plans and other similar plans that we establish from time to time for our executive employees, and is paid a \$900 monthly vehicle allowance. Pursuant to the terms of his employment agreement, prior to the completion of the IPO, Mr. Stice had an option to acquire a 1.0% membership interest in our subsidiary Windsor Permian LLC for an aggregate exercise price of \$3.6 million, subject to adjustment in the event of certain asset sales. Such option would have vested in four equal annual installments commencing on the first anniversary of the effective date of Mr. Stice's employment agreement and would have been exercisable for five years from the effective date of his employment agreement or until his earlier termination. In connection with the completion of the IPO, this option was cancelled and replaced with the right to receive: (a) \$1,000,000 in cash, of which two-thirds was payable at the time of the IPO and one-third will be payable on the first anniversary of the IPO if Mr. Stice is still employed by us or if he is terminated by us prior to that date without "cause" as defined below; (b) restricted stock units in an amount equal to \$1,000,000 divided by the IPO price per share of \$17.50; and (c) options to purchase 300,000 shares of our common stock at the IPO price per share of \$17.50. The vesting schedule and exercise rights for these options and the restricted stock units are the same as the original option. Mr. Stice has agreed to certain restrictive covenants in his employment agreement, including, without limitation, his agreement not to compete with us, not to interfere with any of our employees, suppliers or regulators and not to solicit our customers or employees, in each case during Mr. Stice's affiliation with us and for a period of six months thereafter. Mr. Stice's continued employment with us is "at-will," meaning that either we or Mr. Stice may terminate the employment relationship at any time and for any reason, with or without notice. However, if (i) we terminate Mr. Stice's employment without "cause," (ii) Mr. Stice resigns for good reason, meaning such resignation follows a material uncured breach by us of the employment agreement or a material diminution in Mr. Stice's position, duties or authority, or (iii) Mr. Stice's employment is terminated due to death or disability, then we will be obligated to continue paying Mr. Stice's base annual salary until the expiration of the term of his employment agreement and, in the case of termination without cause or upon death or disability, to honor our obligations with respect to the option described above; provided, in each case, that Mr. Stice continues to comply with the restrictive covenants described above and (except in the case of clause (iii) above) executes a full general release in our favor. Upon his death or disability, Mr. Stice is entitled to his base salary for the remainder of the term and a prorated portion of his minimum bonus for the period prior to such event. In the event Mr. Stice's employment is terminated for "cause," our obligations will terminate with respect to the payment of any base salary or bonuses and the option described above effective as of the termination date. For purposes of Mr. Stice's employment agreement, "cause" is generally defined as Mr. Stice's (a) willful and knowing refusal or failure to perform his duties in any material

respect, (b) willful misconduct or gross negligence in performing his duties, (c) material breach of his employment agreement or any other agreement with us, (d) conviction of, or a plea of guilty or nolo contendere to, a criminal act that constitutes a felony or involves fraud, dishonesty or moral turpitude, (e) indictment for a felony involving embezzlement, theft or fraud, (f) filing of a voluntary, or consent to an involuntary, bankruptcy petition, (g) dishonesty in connection with his responsibilities as an employee or (h) failure to comply with directives of our board of directors. In addition, (x) in the event that more than 50% of the combined voting power of our then outstanding stock is controlled by one or more parties that is not Wexford Capital LP or an affiliate of Wexford Capital LP or an underwriter temporarily holding securities pursuant to an offering of securities and there is a material change in Mr. Stice's position, duties or authority or Mr. Stice is required to move outside a 50 mile radius of Midland, Texas or (y) upon termination without cause or due to death or disability, the options and restricted stock units described above will vest immediately.

Jeff White. Effective September 2011, we entered into an employment agreement with Mr. White, our Vice President—Operations, which employment agreement was amended and restated on August 20, 2012 and further amended effective January 1, 2013. The employment agreement has a three-year term and provides for an annual base salary that can be increased or decreased from time to time by the compensation committee, but not decreased below the original base salary of \$220,000. For 2013, Mr. White's base salary has been set at \$236,500. Subject to Mr. White's achievement of certain performance goals as determined by our board of directors for each fiscal year, Mr. White is entitled to an annual bonus of 50% of his annual base salary. Upon entering into the employment agreement, Mr. White received an \$85,000 signing bonus and he received a \$170,000 cash bonus in 2012 as a result of the IPO not having been completed within one year of his hiring. Mr. White is also entitled to participate in any life and medical insurance plans and other similar plans that we establish from time to time for our executive employees. Pursuant to the terms of his employment agreement, prior to the completion of the IPO, Mr. White had an option to acquire a 0.5% membership interest in our subsidiary Windsor Permian LLC for an aggregate exercise price of \$2.5 million, subject to adjustment in the event of certain asset sales. Such option would have vested in four equal annual installments commencing on the first anniversary of the effective date of Mr. White's employment agreement and would have been exercisable for five years from the effective date of his employment agreement or until his earlier termination (except for termination upon death, disability or by us without cause). In connection with the completion of the IPO, this option was cancelled and replaced with the right to receive: (a) \$350,000 in cash; (b) restricted stock units in an amount equal to \$600,000 divided by the IPO price per share of \$17.50; and (c) options to purchase 100,000 shares of our common stock at the IPO price per share of \$17.50. The vesting schedule and exercise rights for these options and the restricted stock units are the same as the original option. Mr. White has agreed to certain restrictive covenants in his employment agreement, including, without limitation, his agreement not to compete with us, not to interfere with any of our employees, suppliers or regulators and not to solicit our customers or employees, in each case during Mr. White's affiliation with us and for a period of six months thereafter. Mr. White's continued employment with us is "at-will," meaning that either we or Mr. White may terminate the employment relationship at any time and for any reason, with or without notice. However, if (i) we terminate Mr. White's employment without "cause," (ii) Mr. White resigns for good reason, meaning such resignation follows a material uncured breach by us of the employment agreement or a material diminution in Mr. White's position, duties or authority, or (iii) Mr. White's employment is terminated due to death or disability, then we will be obligated to continue paying Mr. White's base annual salary until the expiration of the term of his employment agreement and, in the case of termination without cause or upon death or disability, to honor our obligations with respect to the option described above; provided, in each case, that Mr. White continues to comply with the restrictive covenants described above and (except in the case of clause (iii) above) executes a full general release in our favor. In the event Mr. White's employment is terminated for "cause," our obligations will terminate with respect to the payment of any base salary or bonuses and the option described above effective as of the termination date. For purposes of Mr. White's employment agreement, "cause" is generally defined as Mr. White's (a) willful and knowing refusal or failure to perform his duties in any material respect, (b) willful misconduct or gross negligence in performing his duties, (c) material breach of his employment agreement or any other agreement with us, (d) conviction of, or a plea of guilty or nolo contendere to, a criminal act that constitutes a felony or involves fraud, dishonesty or moral turpitude, (e) indictment for a felony involving embezzlement, theft or fraud, (f) filing of a voluntary, or consent to an involuntary, bankruptcy petition, (g) dishonesty in connection with his responsibilities as an employee or (h) failure to comply with directives of our board of directors. In addition, (x) in the event that more than 50% of the combined voting power of our then outstanding stock is controlled by one or more parties that is not Wexford Capital LP, an affiliate of Wexford Capital LP or an underwriter temporarily holding securities pursuant to an offering of securities and there is either a material change in Mr. White's position, duties or authority or Mr. White is required to move outside a 50 mile radius of Midland, Texas or (y) upon termination without cause or due to death or disability, the options and restricted stock units described above will vest immediately.

Michael Hollis. Effective September 2011, we entered into an employment agreement with Mr. Hollis, our Vice President—Drilling, which employment agreement was amended and restated on August 20, 2012 and further amended effective January 1, 2013. The employment agreement has a three-year term and provides for an annual base salary that can be increased or decreased from time to time by the compensation committee, but not decreased below the original base salary of \$230,000. For 2013, Mr. Hollis' base salary has been set at \$276,000. Subject to Mr. Hollis' achievement of certain

performance goals as determined by our board of directors for each fiscal year, Mr. Hollis is entitled to an annual bonus of 50% of his annual base salary. Upon entering into the employment agreement, Mr. Hollis received a \$30,000 signing bonus. Mr. Hollis is also entitled to participate in any life and medical insurance plans and other similar plans that we establish from time to time for our executive employees. Pursuant to the terms of his employment agreement, prior to the completion of the IPO, Mr. Hollis had an option to acquire a 0.5% membership interest in our subsidiary Windsor Permian LLC for an aggregate exercise price of \$2.5 million, subject to adjustment in the event of certain asset sales. Such option would have vested in four equal annual installments commencing on the first anniversary of the effective date of Mr. Hollis' employment agreement and would have been exercisable for five years from the effective date of his employment agreement or until his earlier termination (except for termination upon death, disability or by us without cause). In connection with the completion of the IPO, this option was cancelled and replaced with the right to receive: (a) \$350,000 in cash; (b) restricted stock units in an amount equal to \$600,000 divided by the IPO price per share of \$17.50; and (c) options to purchase 100,000 shares of our common stock at the IPO price per share of \$17.50. The vesting schedule and exercise rights for these options and the restricted stock units are the same as the original option. Mr. Hollis has agreed to certain restrictive covenants in his employment agreement, including, without limitation, his agreement not to compete with us, not to interfere with any of our employees, suppliers or regulators and not to solicit our customers or employees, in each case during Mr. Hollis' affiliation with us and for a period of six months thereafter. Mr. Hollis' continued employment with us is "at-will," meaning that either we or Mr. Hollis may terminate the employment relationship at any time and for any reason, with or without notice. However, if (i) we terminate Mr. Hollis' employment without "cause," (ii) Mr. Hollis resigns for good reason, meaning such resignation follows a material uncured breach by us of the employment agreement or a material diminution in Mr. Hollis' position, duties or authority, or (iii) Mr. Hollis' employment is terminated due to death or disability, then we will be obligated to continue paying Mr. Hollis' base annual salary until the expiration of the term of his employment agreement and, in the case of termination without cause or upon death or disability, to honor our obligations with respect to the option described above; provided, in each case, that Mr. Hollis continues to comply with the restrictive covenants described above and (except in the case of clause (iii) above) executes a full general release in our favor. In the event Mr. Hollis' employment is terminated for "cause," our obligations will terminate with respect to the payment of any base salary or bonuses and the option described above effective as of the termination date. For purposes of Mr. Hollis' employment agreement, "cause" is generally defined as Mr. Hollis' (a) willful and knowing refusal or failure to perform his duties in any material respect, (b) willful misconduct or gross negligence in performing his duties, (c) material breach of his employment agreement or any other agreement with us, (d) conviction of, or a plea of guilty or nolo contendere to, a criminal act that constitutes a felony or involves fraud, dishonesty or moral turpitude, (e) indictment for a felony involving embezzlement, theft or fraud, (f) filing of a voluntary, or consent to an involuntary, bankruptcy petition, (g) dishonesty in connection with his responsibilities as an employee or (h) failure to comply with directives of our board of directors. In addition, (x) in the event that more than 50% of the combined voting power of our then outstanding stock is controlled by one or more parties that is not Wexford Capital LP, an affiliate of Wexford Capital LP or an underwriter temporarily holding securities pursuant to an offering of securities and there is either a material change in Mr. Hollis' position, duties or authority or Mr. Hollis is required to move outside a 50 mile radius of Midland, Texas or (y) upon termination without cause or due to death or disability, the options and restricted stock units described above will vest immediately.

2012 Plan

Eligible award recipients under the 2012 Plan are employees, consultants and directors of our company and its affiliates. Incentive stock options may be granted only to our employees. Awards other than incentive stock options may be granted to employees, consultants and directors. The shares that may be issued pursuant to awards consist of our authorized but unissued common stock, and the maximum aggregate amount of such common stock which may be issued upon exercise of all awards under the plan, including incentive stock options, may not exceed 2,500,000 shares, subject to adjustment to reflect certain corporate transactions or changes in our capital structure. At any time after the Company is subject to the deduction limitations under Section 162(m) of the Internal Revenue Code, the maximum number of shares of common stock issuable under our equity incentive plan to any one participant during a calendar year shall not exceed 1,000,000 shares.

Share Reserve. The aggregate number of shares of common stock initially authorized for issuance under the plan is 2,500,000 shares. However, (i) shares covered by an award that expires or otherwise terminates without having been exercised in full and (ii) shares that are forfeited to, or repurchased by, us pursuant to a forfeiture or repurchase provision under the plan may return to the plan and be available for issuance in connection with a future award.

Administration. Our board of directors (or our compensation committee or any other committee of the board of directors as may be appointed by our board of directors from time to time) administers the plan. Among other responsibilities, the plan administrator selects participants from among the eligible individuals, determines the number of shares that will be subject to each award and determines the terms and conditions of each award, including methods of payment, vesting schedules and limitations and restrictions on awards. The plan administrator may amend, suspend, or terminate the plan at any time. Amendments will not be effective without stockholder approval if stockholder approval is

required by applicable law or stock exchange requirements. Unless terminated earlier, our equity incentive plan will terminate in October 2022.

Stock Options. Incentive and nonstatutory stock options are granted pursuant to incentive and nonstatutory stock option agreements. Employees, directors and consultants may be granted nonstatutory stock options, but only employees may be granted incentive stock options. The plan administrator determines the exercise price of a stock option, provided that the exercise price of a stock option generally cannot be less than 100% (and in the case of an incentive stock option granted to a more than 10% stockholder, 110%) of the fair market value of our common stock on the date of grant, except when assuming or substituting options in limited situations such as an acquisition. Generally, options granted under the plan vest ratably over a five-year period and have a term of ten years (five years in the case of an incentive stock option granted to a more than 10% stockholder), unless specified otherwise by the plan administrator in the option agreement.

Acceptable consideration for the purchase of common stock issued upon the exercise of a stock option will be determined by the plan administrator and may include (i) cash or check, (ii) a broker-assisted cashless exercise, (iii) the tender of common stock previously owned by the optionee, (iv) stock withholding and (v) other legal consideration approved by the plan administrator, such as exercise with a full recourse promissory note (not applicable for directors and executive officers).

Unless the plan administrator provides otherwise (solely with respect to intervivos transfers to certain family members and estate planning vehicles), nonstatutory options generally are not transferable except by will or the laws of descent and distribution. An optionee may designate a beneficiary, however, who may exercise the option following the optionee's death. Incentive stock options are not transferable except by will or the laws of descent and distribution.

Restricted Awards. Restricted awards are awards of either actual shares of common stock (e.g., restricted stock awards), or of hypothetical share units (e.g., restricted stock units) having a value equal to the fair market value of an identical number of shares of common stock, that will be settled in the form of shares of common stock upon vesting or other specified payment date, and which may provide that such restricted awards may not be sold, transferred, or otherwise disposed of for such period as the plan administrator determines. The purchase price and vesting schedule, if applicable, of restricted awards are determined by the plan administrator. A restricted stock unit is similar to a restricted stock award except that participants holding restricted stock units do not have any stockholder rights until the stock unit is settled with shares. Stock units represent an unfunded and unsecured obligation for us and a holder of a stock unit has no rights other than those of a general creditor.

Performance Awards. Performance awards entitle the recipient to vest in or acquire shares of common stock, or hypothetical share units having a value equal to the fair market value of an identical number of shares of common stock that will be settled in the form of shares of common stock upon the attainment of specified performance goals. Performance awards may be granted independent of or in connection with the granting of any other award under the plan. Performance goals will be established by the plan administrator based on one or more business criteria that apply to the plan participant, a business unit, or our company and our affiliates. Performance goals will be objective and will be intended to meet the requirements of Section 162(m) of the Internal Revenue Code. Performance goals must be determined prior to the time 25% of the service period has elapsed but not later than 90 days after the beginning of the service period. No payout will be made on a performance award granted to a named executive officer unless all applicable performance goals and service requirements are achieved. Performance awards may not be sold, assigned, transferred, pledged or otherwise encumbered and terminate upon the termination of the participant's service to us or our affiliates.

Stock Appreciation Rights. Stock appreciation rights may be granted independent of or in tandem with the granting of any option under the plan. Stock appreciation rights are granted pursuant to stock appreciation rights agreements. The exercise price of a stock appreciation right granted independent of an option is determined by the plan administrator, but as a general rule will be no less than 100% of the fair market value of our common stock on the date of grant. The exercise price of a stock appreciation right granted in tandem with an option is the same as the exercise price of the related option. Upon the exercise of a stock appreciation right, we will pay the participant an amount equal to the product of (i) the excess of the per share fair market value of our common stock on the date of exercise over the strike price, multiplied by (ii) the number of shares of common stock with respect to which the stock appreciation right is exercised. Payment will be made in cash, delivery of stock, or a combination of cash and stock as deemed appropriate by the plan administrator.

Adjustments in capitalization. In the event that there is a specified type of change in our common stock without the receipt of consideration by us, such as pursuant to a merger, consolidation, reorganization, recapitalization, reincorporation, stock dividend, dividend in property other than cash, stock split, liquidating dividend, combination of shares, exchange of shares, change in corporate structure or other transaction, appropriate adjustments will be made to the various limits under, and the share terms of, the plan including (i) the number and class of shares reserved under the plan, (ii) the maximum number of

stock options and stock appreciation rights that can be granted to any one person in a calendar year and (iii) the number and class of shares and exercise price, strike price, or purchase price, if applicable, of all outstanding stock awards.

Corporate Transactions. In the event of a change in control transaction (other than a transaction resulting in Wexford Capital LP or an entity controlled by, or under common control with Wexford Capital LP maintaining direct or indirect control over the Company), or a corporate transaction such as a dissolution or liquidation of our company, or any corporate separation or division, including, but not limited to, a split-up, a split-off or a spin-off, or a sale in one or a series of related transactions, of all or substantially all of the assets of our company or a merger, consolidation, or reverse merger in which we are not the surviving entity, then all outstanding stock awards under the plan may be assumed, continued or substituted for by any surviving or acquiring entity (or its parent company), or may be cancelled either with or without consideration for the vested portion of the awards, all as determined by the plan administrator. In the event an award would be cancelled without consideration paid to the extent vested, the award recipient may exercise the award in full or in part for a period of ten days.

401(k) Plan

We participate in a 401(k) Plan. Employees may elect to defer a portion of their compensation up to the statutorily prescribed limit. Each pay period we make a matching contribution to each employee's deferral, not to exceed six percent. An employee's interests in his or her deferrals are 100% vested when contributed. An employee's interests in the matching contribution are vested at the rate of 20% for each completed year of eligibility. The 401(k) Plan is intended to qualify under Section 401(a) of the Internal Revenue Code. As such, contributions to the 401(k) Plan and earnings on those contributions are not taxable to the employee until distributed from the 401(k) Plan, and all contributions are deductible by us when made.

Effect of Our Compensation Policies and Practices on Risk and Risk Management

The Compensation Committee reviews the risks and rewards associated with our compensation policies and programs. We believe that such policies and programs encourage and reward prudent business judgment and appropriate risk-taking over the long term. With respect to specific elements of compensation:

- We believe that our programs balance short- and long-term incentives for our executive officers providing for an appropriate mix of fixed, discretionary and equity compensation that overall encourages long-term performance.
- We believe that annual base salaries for our named executive officers do not encourage excessive risk-taking as they are fixed amounts that are subject to discretionary increases by our compensation committee or the board of directors upon the recommendation of our compensation committee, as the case may be, based, among other factors, on annual performance evaluations. We also believe that such annual base salaries are set at reasonable levels, as compared to the base salaries of similarly situated individuals at our peer group companies, and therefore do not encourage our named executive officers to be overly conservative with respect to taking appropriate amount of risk to increase stockholder value.
- Our annual bonuses are designed to award achievement of short-term results. The payment and amounts of such bonuses are within the discretion of and determined by our compensation committee or the board of directors upon the recommendation of our compensation committee, as the case may be, based on the Company's performance for the prior fiscal year and annual performance evaluations of our named executive officers.
- Stock options and restricted stock units granted to our named executive officers are subject to time vesting provisions. We award stock options to align compensation with company performance, as the options become valuable to the executive only if the stock price increases from the date of grant. Also, stock options require a long-term commitment by executives to realize the appreciation potential of the options. We award restricted stock units to ensure that our executives have a continuing stake in the long-term success of the Company as the value of the award will depend on the stock price at and after the time of vesting. We believe that our long-term equity awards do not encourage excessive risk taking that may be associated with equity awards that vest based strictly on achieving certain targets. We also believe that our long-term equity awards provide incentive to our named executive officers to take appropriate amount of risk.
- As described above in the discussion of the employment agreements of the named executive officers, our named executive officers are entitled to certain benefits that are payable upon the occurrence of their termination without "cause," resignation for "good reason," or certain change in control transactions.

Based on the foregoing, the Compensation Committee believes that the Company does not utilize compensation policies and programs creating risks that are reasonably likely to have a material adverse impact on the Company.

Report of the Compensation Committee on Executive Compensation

The compensation committee has reviewed and discussed the foregoing summary of Executive Compensation with management. Based on its review and discussion with management, the compensation committee recommended that the summary of Executive Compensation be included in this Annual Report on Form 10-K/A.

Respectfully submitted by the compensation committee:

Michael P. Cross, Chairman
David L. Houston
Mark L. Plaumann

Compensation Committee Interlocks and Insider Participation

No current member of our Compensation Committee has ever been an officer or employee of ours. None of our executive officers serves, or has served during the past fiscal year, as a member of the board of directors or compensation committee of any other company that has one or more executive officers serving as member of our board of directors or compensation committee.

2012 SUMMARY COMPENSATION TABLE

The following table provides information concerning compensation of our principal executive officer and our two other highest paid executive officers for the fiscal years ended December 31, 2012 and December 31, 2011.

Name and Principal Position	Year	Salary (\$)	Bonus (\$)(1)	Stock Awards (\$)(2)(3)	Option Awards (\$)(2)(3)	All Other Compensation (\$)(4)	Total (\$)
Travis D. Stice (5) Chief Executive Officer	2012	\$ 300,000	\$ 1,023,771	\$ 1,000,003	\$ 1,257,526	\$ 30,754	\$ 3,612,054
	2011	\$ 115,880	\$ 225,000	—	\$ 1,452,851	\$ 5,874	\$ 1,799,605
Jeffrey F. White Vice President—Operations	2012	\$ 220,000	\$ 624,500	\$ 600,005	\$ 458,365	\$ 1,023	\$ 1,903,893
	2011	\$ 55,846	\$ 112,500	—	\$ 576,657	\$ 309	\$ 748,561
Michael L. Hollis (6) Vice President—Drilling	2012	\$ 230,000	\$ 493,750	\$ 600,005	\$ 454,243	\$ 14,989	\$1,792,987

- (1) In 2011, Mr. Stice received a \$225,000 annual incentive bonus and Mr. White received an \$85,000 signing bonus and a \$27,500 annual incentive bonus. In 2012, Mr. Stice received a \$357,104 annual incentive bonus and a \$666,667 bonus pursuant to the terms of his employment agreement related to the IPO, Mr. White received a \$104,500 annual incentive bonus and a total of \$520,000 in bonuses pursuant to the terms of his employment agreement related to the IPO, and Mr. Hollis received a \$143,750 annual incentive bonus and a \$350,000 bonus pursuant to the terms of his employment agreement related to the IPO.
- (2) The amounts shown reflect the grant date fair value of restricted stock units and stock options granted respectively, determined in accordance with FASB ASC Topic 718. See Note 8 to our consolidated financial statements for the fiscal year ended December 31, 2012, included in our Annual Report on Form 10-K, filed with the SEC on March 1, 2013, regarding assumptions underlying valuations of equity awards for 2012 and 2011. Details regarding equity awards that are still outstanding can be found in the “Outstanding Equity Awards at Fiscal 2012 Year End” table.
- (3) In connection with the IPO and the 2012 Plan, the options awarded in 2011 were canceled and replaced with the right to receive a cash payment, restricted stock units and stock options. Such grant of new awards is deemed to be a modification of old awards and was accounted for as a modification of the original awards. The modification date for these awards was October 11, 2012, which was the date of IPO pricing of \$17.50 per share. Mr. Stice, Mr. White and Mr. Hollis received cash payments of \$666,667, \$350,000 and \$350,000, respectively, and Mr. Stice will receive an additional cash payment \$333,333 on October 11, 2013. Mr. Stice, Mr. White, and Mr. Hollis also received 57,143, 34,286 and 34,286 restricted stock units, respectively, and options to purchase 300,000, 100,000 and 100,000 shares of our common stock at \$17.50, respectively.
- (4) Amounts in 2011 for Mr. Stice include our 401(k) plan contributions of \$1,832, car allowance of \$3,666 and life insurance premium payments of \$377. Amounts in 2011 for Mr. White include life insurance premium payments of \$309. Amounts in 2012 for Mr. Stice include our 401(k) plan contributions of \$18,792, car allowance of \$10,800, and life insurance

premium payments of \$1,162. Amounts in 2012 for Mr. White include life insurance premium payments of \$1,023. Amounts in 2012 for Mr. Hollis include our 401(k) plan contributions of \$13,920 and life insurance premium payments of \$1,069.

- (5) Mr. Stice became our President and Chief Operating Officer in April 2011. On January 1, 2012, Mr. Stice resigned as President and Chief Operating Officer and became our Chief Executive Officer.
- (6) Mr. Hollis became our Vice President—Drilling in September 2011.

OUTSTANDING EQUITY AWARDS AT FISCAL 2012 YEAR-END

The following table provides information concerning equity awards outstanding for our principal executive officer and our two other highest paid executive officers at December 31, 2012.

Name	Number of Securities Underlying Unexercised Options (#) Exercisable	Number of Securities Underlying Unexercised Options (#) Unexercisable	Option Exercise Price (\$)	Option Expiration Date	Number of Shares or Units of Stock That Have Not Vested (#)	Market Value of Shares or Units of Stock That Have Not Vested (\$)(1)
Travis D. Stice	75,000	225,000(2)	\$ 17.50	04/18/2016	42,857(3)	\$ 819,426
Jeffrey F. White	25,000	75,000(4)	\$ 17.50	09/30/2016	25,715(5)	\$ 491,671
Michael L. Hollis	25,000	75,000(6)	\$ 17.50	9/12/2016	25,715(7)	\$ 491,671

- (1) Market value of shares or units that have not vested is based on the closing price of \$19.12 per share of our common stock on The NASDAQ Global Select Market on December 31, 2012, the last trading day of 2012.
- (2) These options will vest in three remaining approximately equal annual installments beginning on April 18, 2013.
- (3) These restricted stock units vest in three remaining approximately equal annual installments beginning on April 18, 2013.
- (4) These options will vest in three remaining approximately equal annual installments beginning on September 30, 2013.
- (5) These restricted stock units vest in three remaining approximately equal annual installments beginning on September 30, 2013.
- (6) These options will vest in three remaining approximately equal annual installments beginning on September 12, 2013.
- (7) These restricted stock units vest in three remaining approximately equal annual installments beginning on September 12, 2013.

2012 DIRECTOR COMPENSATION

The following table contains information with respect to 2012 compensation of our directors who served in such capacity during that year, except that the 2012 compensation of those directors who are also our named executive officers is disclosed in the Summary Compensation Table above.

Name	Fees Earned or Paid in Cash (\$)	Stock Awards \$(1)	All Other Compensation (\$)	Total (\$)
Steven E. West (2)	5,000	\$116,655	—	121,655
Michael P. Cross (2)	11,250	\$116,655	—	127,905
David L. Houston (2)	11,250	\$116,655	—	127,905
Mark L. Plaumann (2)	11,250	\$116,655	—	127,905
Paul J. Jacobi (2)(3)	—	\$116,655	—	116,655

(1) The amounts shown reflect the grant date fair value of restricted stock units granted, determined in accordance with FASB ASC Topic 718. See Note 8 to our consolidated financial statements for the fiscal year ended December 31, 2012, included in our Annual Report on Form 10-K, filed with the SEC on March 1, 2013, regarding assumptions underlying valuations of equity awards for 2012.

(2) In October 2012, each non-employee director was granted 6,666 restricted stock units which vest in three annual installments of 2,222 restricted stock units, the first of which occurred on October 11, 2012, with the two remaining equal annual installments occurring on each anniversary of such date.

(3) Mr. Jacobi resigned as a director of our company effective November 14, 2012.

Director Compensation

In November 2012, our board of directors approved a change to the fee component of director compensation to provide for annual fees for non-employee directors of the Company in the amounts \$20,000 for each director plus an additional annual payment of \$15,000 for the chairperson and \$10,000 for each other member of the Audit Committee and \$10,000 for the chairperson and \$5,000 for each other member of each other committee, with such amounts to be paid in quarterly installments. Members of our board of directors who are also officers or employees of our company do not receive compensation for their services as directors.

Prior to the implementation of this policy, non-employee directors received a monthly retained of \$1,000 and a per meeting attendance fee of \$500 and reimbursement of all ordinary and necessary expenses incurred in the conduct of our business.

As described above, directors are also eligible award recipients under the 2012 Plan. In October 2012, each non-employee director was granted 6,666 restricted stock units which vest in three annual installments of 2,222 restricted stock units, the first of which occurred on October 11, 2012, with the two remaining equal annual installments occurring on each anniversary of such date.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS**Holdings of Major Stockholder**

The following table sets forth certain information regarding the beneficial ownership as of April 1, 2013 of shares of our common stock by each person or entity known to us to be a beneficial owner of 5% or more of our common stock.

MAJOR STOCKHOLDER TABLE

Name and Address of Beneficial Owner (1)	Amount and Nature of Beneficial Ownership	Percent of Class
DB Energy Holdings LLC c/o Wexford Capital LP 411 West Putnam Avenue Greenwich, CT 06830	16,414,622 (2)	44.4%
Gulfport Energy Corporation 14313 North May Avenue, Suite 100 Oklahoma City, Oklahoma 73134	7,914,036 (3)	21.4%
Wellington Management Company, LLP 280 Congress Street Boston, MA 02210	3,747,150 (4)	10.1%

(1) Beneficial ownership is determined in accordance with SEC rules. The percentage of shares beneficially owned is based on 36,986,532 shares of common stock outstanding as of April 1, 2013.

(2) Based solely on Schedule 13D/A filed with the SEC on December 11, 2012 by DB Energy Holdings LLC (“DB Holdings”), Wexford Spectrum Fund, L.P. (“WSF”), Wexford Catalyst Fund, L.P. (“WCF”), Spectrum Intermediate Fund Limited (“SIF”), Catalyst Intermediate Fund Limited (“CIF,” and together with DB Holdings, WSF, WCF and SIF, the “Funds”), Wexford Capital LP (“Wexford Capital”), Wexford GP LLC (“Wexford GP”), Charles E. Davidson (“Mr. Davidson”), and Joseph M. Jacobs (“Mr. Jacobs”). DB Holdings is a holding company managed by Wexford Capital. WSF, WCF, SIF and CIF are investment funds managed by Wexford Capital. Wexford Capital is an investment advisor registered with the SEC, and manages a series of investment funds. Wexford GP is the general partner of Wexford Capital. Mr. Davidson and Mr. Jacobs are the managing members of Wexford GP. DB has shared voting and dispositive power over 15,457,020 shares. WSF has shared voting and dispositive power over 184,408 shares. WCF has shared voting and dispositive power over 29,144 shares. SIF has shared voting and dispositive power over 621,479 shares. CIF has shared voting and dispositive power over 122,571 shares. Wexford Capital, Wexford GP, Mr. Davidson and Mr. Jacobs have shared voting and dispositive power over 16,414,622 shares. Wexford Capital may, by reason of its status as manager or investment manager of the Funds, be deemed to own beneficially the securities of which the Funds possess beneficial ownership. Wexford GP may, as the General Partner of Wexford Capital, be deemed to own beneficially the securities of which the Funds possess beneficial ownership. Each of Mr. Davidson and Mr. Jacobs may, by reason of his status as a controlling person of Wexford GP, be deemed to own beneficially the securities of which the Funds possess beneficial ownership. Each of Wexford Capital, Wexford GP, Mr. Davidson and Mr. Jacobs disclaims beneficial ownership of the securities owned by the Funds except, in the case of Mr. Davidson and Mr. Jacobs, to the extent of their respective interests in the Funds.

(3) Based solely on Schedule 13G filed with the SEC on February 12, 2013 by Gulfport Energy Corporation. Gulfport Energy Corporation reported sole voting and dispositive power of such shares of common stock.

(4) Based solely on Schedule 13G/A filed with the SEC on March 11, 2013 by Wellington Management Company, LLP. These shares are owned of record by clients of Wellington Management. Those clients have the right to receive, or the power to direct the receipt of, dividends from, or the proceeds from the sale of, such securities. No such client is known to have such right or power with respect to more than five percent of this class of securities. Wellington Management has shared voting power over 3,468,678 shares and shared dispositive power over 3,747,150 shares.

Holdings of Officers and Directors

The following table sets forth certain information regarding the beneficial ownership as of April 1, 2013 of shares of our common stock by each of our directors, by each named executive officer and by all directors and executive officers as a group:

Name of Beneficial Owner (1)	Amount and Nature of Beneficial Ownership	Percent of Class
Travis D. Stice (2)	181,372	*
Jeffrey F. White (3)	33,572	*
Michael L. Hollis (4)	33,572	*
Steven E. West (5)	2,222	*
Michael P. Cross (5)	2,222	*
David L. Houston (5)	2,222	*
Mark L. Plaumann (5)	2,222	*
Directors and Executive Officers as a Group (12 persons)	378,096	*

*Less than 1%.

- (1) Beneficial ownership is determined in accordance with SEC rules. In computing percentage ownership of each person, shares of common stock subject to options held by that person that are exercisable as of April 1, 2013, or exercisable within 60 days of April 1, 2013, are deemed to be beneficially owned. These shares, however, are not deemed outstanding for the purpose of computing the percentage ownership of each other person. The percentage of shares beneficially owned is based on 36,986,532 shares of common stock outstanding as of April 1, 2013. Unless otherwise indicated, all amounts exclude shares issuable upon the exercise of outstanding options that are not exercisable as of April 1, 2013 or within 60 days of April 1, 2013.
- (2) Primarily includes options to purchase 150,000 shares of our common stock, of which 75,000 will vest on April 18, 2013 and 28,572 restricted stock units, of which 14,286 restricted stock units which will vest on April 18, 2013. These 28,572 restricted stock units will not be settled until the first business day coincident with or next following the date of the first open trading window to occur after April 5, 2013, but no later than December 31, 2013. Excludes (i) options to purchase 150,000 shares of our common stock and (ii) 28,571 restricted stock units, which will vest, in each case, in two remaining approximately equal annual installments beginning on April 18, 2014.
- (3) Includes options to purchase 25,000 shares of our common stock and 8,572 restricted stock units, which restricted stock units will not be settled until the first business day coincident with or next following the date of the first open trading window to occur after April 5, 2013, but no later than December 31, 2013. Excludes (i) options to purchase 75,000 shares of our common stock and (ii) 25,715 restricted stock units, which will vest, in each case, in three remaining approximately equal annual installments beginning on September 30, 2013.
- (4) Includes options to purchase 25,000 shares of our common stock and 8,572 restricted stock units, which restricted stock units will not be settled until the first business day coincident with or next following the date of the first open trading window to occur after April 5, 2013, but no later than December 31, 2013. Excludes (i) options to purchase 75,000 shares of our common stock and (ii) 25,715 restricted stock units, which will vest, in each case, in three remaining approximately equal annual installments beginning on September 12, 2013.
- (5) Includes restricted stock units that will not be settled until the first business day coincident with or next following the date of the first open trading window to occur after April 5, 2013, but no later than December 31, 2013. Excludes 4,444 restricted stock units, which will vest in two remaining equal annual installments beginning on October 11, 2013.

Equity Compensation Plan Information

The following table presents information as December 31, 2012 with respect to shares of the Company’s common stock that may be issued under the 2012 Plan. The 2012 Plan provides for the granting of incentive stock options, nonstatutory stock options, restricted awards (restricted stock and restricted stock units), performance awards, and stock appreciation rights, or any combination of the foregoing. A total of 2.5 million shares of the Company’s common stock have been reserved for issuance pursuant to 2012 Plan.

Plan Category	Number of Securities to be Issued Upon Exercise of Outstanding Options, Warrants and Rights	Weighted Average Exercise Price of Outstanding Options, Warrants and Rights	Number of Securities Remaining Available for Future Issuance
Equity compensation plans not approved by security holders	850,000(1)	\$17.50 (1)	1,370,954

(1) Does not include 206,507 unvested restricted stock awards and units outstanding at December 31, 2012.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE**Director Independence**

Our board of directors has determined that David L. Houston, Michael P. Cross and Mark L. Plaumann meet the standards regarding independence set forth in the Nasdaq listing standards and are free of any relationship which, in the opinion of our board of directors, would interfere with the exercise of independent judgment in carrying out their responsibilities as directors of the Company.

Our board of directors has determined that each member of the Audit Committee is independent for purposes of serving on such committee under the Nasdaq listing standards and applicable federal law. In addition, our board of directors has determined that each current member of the Audit Committee is financially literate under the Nasdaq listing standards and that Mark L. Plaumann qualifies as the “audit committee financial expert,” as such term is defined in Item 407(d) of Regulation S-K.

Our board of directors has also determined that each member of the Compensation Committee and the Nominating Committee meets the independence requirements applicable to those committees under the Nasdaq rules. In addition, our board of directors determined that each member of our compensation committee is an “outside director” in accordance with Section 162(m) of the Internal Revenue Code and a “non-employee director” in accordance with Rule 16b-3 under the Securities Exchange Act of 1934, as amended.

Review and Approval of Related Party Transactions

Our board of directors has adopted a policy regarding related party transactions. Under the policy, the audit committee reviews and approves all relationships and transaction in which we and our directors, director nominees and executive officers and their immediate family members, as well as holders of more than 5% of any class of our voting securities and their immediate family members, have a direct or indirect material interest. The policy provides that, the following do not create a material direct or indirect interest on behalf of the related party and are therefore not related party transactions:

- a transaction involving compensation of directors;
- a transaction involving compensation of an executive officer or involving an employment agreement, severance arrangement, change in control provision or agreement or special supplemental benefit of an executive officer;
- a transaction with a related party involving less than \$120,000;
- a transaction in which the interest of the related party arises solely from the ownership of a class of our equity securities and all holders of that class receive the same benefit on a pro rata basis;
- a transaction involving indemnification payments and payments under directors and officers indemnification insurance policies made pursuant to our certificate of incorporation or bylaws or pursuant to any policy, agreement or instrument of the Company or to which the Company is bound; and

- a transaction in which the interest of the related party arises solely from indebtedness of a 5% shareholder or an “immediate family member” of a 5% shareholder.

The policy supplements the conflict of interest provisions in our Code of Business Conduct and Ethics.

Prior to the implementation of this policy and the adoption of the Code of Business Conduct and Ethics, the review and approval of related party transactions was the responsibility of our management, and all of the transactions discussed under “Related Party Transactions” below have been approved by our management, subject to a conflicts of interest policy set forth in our employee handbook, pursuant to which all of our employees must avoid any situations where their personal outside interest could conflict, or even appear to conflict, with the interests of the Company. Although our management believes that the terms of the related party transactions described below are reasonable, it is possible that we could have negotiated more favorable terms for such transactions with unrelated third parties.

Gulfport Transaction and Investor Rights Agreement

On May 7, 2012, we entered into an agreement with Gulfport Energy Corporation, or Gulfport, in which we agreed to acquire from Gulfport, prior to the effectiveness of the registration statement relating to our initial public offering, all of Gulfport’s oil and natural gas properties in the Permian Basin in exchange for (i) shares of our common stock representing 35% of our common stock outstanding immediately prior to the closing of our initial public offering and (ii) approximately \$63.6 million in the form of a non-interest bearing promissory note that was repaid in full upon the closing of our initial public offering. The Gulfport transaction was completed on October 11, 2012. The aggregate consideration payable to Gulfport was subject to a post-closing cash adjustment calculated to be approximately \$18.6 million and paid to Gulfport in January 2013. Under the agreement, Gulfport is generally responsible for all liabilities and obligations with respect to its Permian Basin properties arising prior to the closing of the transaction and we are responsible for such liabilities and obligations arising after the closing of the transaction. At the closing of the Gulfport transaction, we entered into an investor rights agreement with Gulfport in which Gulfport was granted certain (i) demand and “piggyback” registration rights, (ii) director nomination rights and (iii) information rights. Mr. David Houston, one of our directors, was designated by Gulfport in accordance with its director nomination rights. Mike Liddell, who served as the Operating Member and Chairman of our subsidiary Diamondback O&G LLC (formerly known as Windsor Permian LLC) prior to the completion of our IPO, is the Chairman of the Board and a director of Gulfport and has a 10% interest in DB Holdings. Charles E. Davidson, the Chairman and Chief Investment Officer of Wexford Capital, beneficially owned approximately 13.3% of Gulfport’s outstanding common stock as of December 5, 2011 and approximately 9.5% as of March 13, 2012, which interest was reduced to less than 1% as of September 28, 2012.

Administrative Services

We entered into a shared services agreement, dated March 1, 2008, with Everest Operations Management LLC (formerly, Windsor Energy Resources LLC), or Everest, an entity controlled by Wexford Capital, our equity sponsor. Under this agreement, Everest provided us with administrative and payroll services and office space in Oklahoma City, Oklahoma and we reimbursed Everest in an amount determined by Everest’s management based on estimates of the amount of office space provided and the amount of its employees’ time spent performing services for us. The reimbursement amounts were determined based upon underlying salary costs of employees performing Company related functions, payroll, revenue or headcount relative to other companies managed by Everest, or specifically identified invoices processed, depending on the nature of the cost. The initial term of the shared services agreement with Everest was two years. Since the expiration of such two-year period on March 1, 2010, the agreement, by its terms, continued on a month-to-month basis until we discontinued all services under this shared services agreement prior to the closing of our IPO. For the year ended December 31, 2012, we incurred total costs to Everest of approximately \$4.4 million, and at December 31, 2012, we owed \$13,000 to Everest under this shared services agreement.

Effective January 1, 2012, we entered into a shared services agreement with Everest under which we provide Everest and, at its request, certain of its affiliates with consulting, technical and administrative services, including payroll, human resources administration, accounts payable and treasury services. The initial term of this shared services agreement is two years. Upon expiration of the initial term, the agreement will continue on a month-to-month basis until cancelled by either party upon thirty days’ prior written notice. Everest, or its affiliates, reimburse us for our dedicated employee time and administrative costs based on the pro rata share of time our employees spend performing these services, including pro rata benefits and bonuses of such employees. For the year ended December 31, 2012, Everest and its affiliates reimbursed us \$2.1 million for services and overhead under this shared services agreement and, at December 31, 2012, Everest and its affiliates owed us \$1,000.

Windsor Permian

In connection with the completion of our IPO, we acquired all the equity interests in Diamondback O&G LLC and Windsor UT LLC from Wexford Capital in exchange for 14,697,496 shares of our common stock.

Subordinated Note

Effective May 14, 2012, we issued a subordinated note to an affiliate of Wexford Capital pursuant to which, as amended, the Wexford Capital affiliate could, from time to time, advance up to an aggregate of \$45.0 million. These advances were solely at the lender's discretion and neither Wexford Capital nor any of its affiliates had any commitment or obligation to provide future capital support to us. The note bore interest at a rate equal to LIBOR plus 0.28% or 8% per annum, whichever was lower. Interest was due quarterly in arrears beginning on July 1, 2012. Interest payments were payable in kind by adding such amounts to the principal balance of this note. The unpaid principal balance and all accrued interest on the note were due and payable in full on January 31, 2015 or the earlier completion of our IPO. Any indebtedness evidenced by this note was subordinate in the right of payment to any indebtedness outstanding under our revolving credit facility. On September 30, 2012, there was \$30.0 million in aggregate principal amount outstanding under this note. We repaid the outstanding borrowings under this note with a portion of the net proceeds of our IPO.

Drilling Services

Bison Drilling and Field Services LLC, or Bison, has performed drilling and field services for us under master drilling agreements and master field services agreements. These agreements are terminable by either party on 30 days' prior written notice, although neither party will be relieved of its respective obligations arising from a drilling contract being performed prior to such termination. Bison was a wholly-owned subsidiary of Diamondback O&G LLC until March 31, 2011, when various entities controlled by Wexford Capital started contributing capital to Bison. These contributions aggregated \$11.5 million and ultimately diluted Diamondback O&G LLC's ownership interest to 52.2%. In September 2011, Diamondback O&G LLC sold a 25% interest in Bison to Gulfport for \$6.0 million, subject to adjustment. At the time of the transaction, an affiliate of Wexford Capital beneficially owned approximately 13.3% of Gulfport's common stock, but that ownership is now less than 1%. In April 2012, Gulfport increased its ownership interest in Bison to 40%. As a result of these transactions, Diamondback O&G LLC's ownership interest in Bison was reduced to 22%, with the remaining equity interests in Bison held by Gulfport and various entities controlled by Wexford Capital. In June 2012, Diamondback O&G LLC distributed its remaining interest in Bison to its member, which are entities controlled by Wexford Capital. For the year ended December 31, 2012, we were billed \$16.0 million by Bison for drilling services. We owed \$120,000 to Bison as of December 31, 2012.

Midland Lease

We occupy our corporate headquarters in Midland, Texas under a five-year lease, effective May 15, 2011, with Fasken Midland, LLC, or Fasken, an entity controlled by an affiliate of Wexford Capital. During the year ended December 31, 2012, we paid \$155,000 to Fasken under this lease. The current monthly rent of \$11,284 under the lease will increase approximately 4% annually on June 1 of each year during the remainder of the lease term except on May 1, 2013 and June 1, 2013, our monthly rent under the lease will increase by approximately 9% and 3%, respectively. We are currently in discussions with Fasken to lease, beginning this fall, approximately 4,000 additional square feet of office space at our corporate headquarters for an initial base rent of approximately \$8,000 per month.

Oklahoma City Lease

We occupy office space in Oklahoma City, Oklahoma under a sixty-seven month lease agreement, effective January 1, 2012, with Caliber Investment Group, LLC, or Caliber, an entity controlled by an affiliate of Wexford Capital. During the year ended December 31, 2012, we paid \$329,000 to Caliber under this lease. Our monthly base rent will be \$16,687 for the remainder of the lease term. We are also responsible for paying a portion of specified costs, fees and expenses associated with the operation of the premises. We are currently negotiating an amendment to this agreement with Caliber to lease additional square footage, which we anticipate would increase our monthly base rent by approximately \$2,500.

Area of Mutual Interest and Related Agreements

Effective as of November 1, 2007, we and Gulfport entered into an area of mutual interest agreement to jointly acquire oil and gas leases in the Permian Basin. The agreement provides that each party must offer the other party the right to participate in 50% of each such acquisition. The parties also agreed, subject to certain exceptions, to share third-party costs and expenses in proportion to their respective participating interests and pay certain other fees as provided in the agreement. The agreement, which continued in force on a month-to-month basis, was terminated upon Gulfport's contribution to us of its oil and gas properties located in the Permian Basin.

In connection with the area of mutual interest agreement, we, Gulfport and Windsor Energy Group, L.L.C., or Energy Group, an entity controlled by Wexford Capital, as the operator, entered into a joint development agreement, effective as of November 1, 2007, pursuant to which we and Gulfport agreed to develop certain jointly-held oil and gas leases in the Permian Basin and Energy Group agreed to act as the operator under the terms of a joint operating agreement, effective as of November 1, 2007. In the event either party had a majority interest in a prospect (as defined in the development agreement), the majority party could designate the operator of its choice. The parties agreed to designate Energy Group as the operator with respect to the contract area as provided in the joint operating agreement. As operator of these properties, Energy Group was responsible

for the daily operations, monthly operation billings and monthly revenue disbursements for the properties in which we held an interest. Effective February 26, 2010, the agreement with Energy Group was terminated and we became the operator of these properties. Upon becoming operator effective February 26, 2010, we began providing joint interest billing services. For the year ended December 31, 2012, we billed Gulfport \$46.4 million, and we billed an entity controlled by Wexford Capital \$2.0 million for such services. At December 31, 2012, Gulfport owed us \$0.7 million, and the Wexford Capital controlled entity owed us zero. Our joint development agreement with Gulfport was terminated in October 2012 upon Gulfport's contribution to us of its oil and gas properties located in the Permian Basin.

Investment in Muskie Holdings LLC

During 2011, Diamondback O&G LLC purchased certain assets, real estate and rights in a lease covering land in Wisconsin that is prospective for mining oil and natural gas fracture grade sand for \$4.2 million from an unrelated third party. On October 7, 2011, Diamondback O&G LLC contributed these assets, real estate and lease rights to a newly-formed entity, Muskie Holdings LLC, or Muskie, in exchange for a 48.6% equity interest. The remaining equity interests in Muskie are held 25% by Gulfport and 26.4% by entities controlled by Wexford Capital. Through additional contributions from the Wexford Capital-controlled entities to Muskie, Diamondback O&G LLC's equity interest decreased to approximately 33%. In June 2012, Diamondback O&G LLC distributed its remaining interest in Muskie to its member, which is an entity controlled by Wexford Capital.

MidMar

We are party to a gas purchase agreement, dated May 1, 2009, as amended, with MidMar Gas LLC, or MidMar, an entity that owns a gas gathering system and processing plant in the Permian Basin. Under this agreement, MidMar is obligated to purchase from us, and we are obligated to sell to MidMar, all of the gas conforming to certain quality specifications produced from certain of our Permian Basin acreage. Following the expiration of the initial ten-year term, the agreement will continue on a year-to-year basis until terminated by either party on 30 days' written notice. Under the gas purchase agreement, MidMar is obligated to pay us 87% of the net revenue received by MidMar for all components of our dedicated gas, including liquid hydrocarbons, and the sale of residue gas, in each case extracted, recovered or otherwise processed at MidMar's gas processing plant, and 94.56% of the net revenue received by MidMar from the sale of such gas components and residue gas, extracted, recovered or otherwise processed at the Chevron Headlee plant. Travis D. Stice, our Chief Executive Officer, has served as a manager on MidMar's board of managers since April 2011 and as Vice President and Secretary of MidMar since April 2012. An entity controlled by Wexford Capital in which Gulfport and certain entities controlled by Wexford Capital are members owns approximately a 28% equity interest in MidMar. The remaining equity interests in MidMar are owned by nonaffiliated third parties. For the year ended December 31, 2012, MidMar paid us \$3.0 million, and at December 31, 2012, MidMar owed us \$6,000 for our portion of the net proceeds from the sale of such gas products and residue gas by MidMar.

Advisory Services Agreement

During the period January 1, 2012 through October 11, 2012, Wexford Capital provided certain professional services to us, for which we were billed approximately \$0.2 million. On October 11, 2012, we entered into an advisory services agreement with Wexford Capital under which Wexford Capital agreed to provide us with general financial and strategic advisory services related to our business in return for an annual fee of \$500,000, plus reasonable out-of-pocket expenses. This agreement has a term of two years and will continue for additional one-year periods unless terminated in writing by either party at least ten days prior to the expiration of the then current term. The agreement may be terminated at any time by either party upon 30 days' prior written notice. In the event we terminate the agreement, we are obligated to pay all amounts due through the remaining term of the agreement. In addition, in this agreement we have agreed to pay Wexford Capital to-be-negotiated market-based fees approved by our independent directors for such services as may be provided by Wexford Capital at our request in connection with future acquisitions and divestitures, financings or other transactions in which we may be involved. The services provided by Wexford Capital under the advisory services agreement will not extend to our day-to-day business or operations. In this agreement, we have agreed to indemnify Wexford Capital and its affiliates from any and all losses arising out of or in connection with the agreement except for losses resulting from Wexford Capital's or its affiliates' gross negligence or willful misconduct.

Registration Rights

We have entered into a registration rights agreement with DB Holdings and an investor rights agreement with Gulfport. Under these agreements, each of DB Holdings and Gulfport has certain demand and "piggyback" registration rights.

ITEM 14. PRINCIPAL ACCOUNTING FEES AND SERVICES

Grant Thornton LLP served as our independent auditors for the fiscal year ended December 31, 2012.

Audit services of Grant Thornton for fiscal 2012 included an audit of our consolidated financial statements and services related to periodic filings made with the SEC. Additionally, Grant Thornton provided certain services related to the consolidated quarterly reports and annual and other periodic reports, registration statements and comfort letters and other services as described below.

Grant Thornton's fees for professional services totaled \$193,000 for 2011 and \$936,000 for 2012. Grant Thornton's fees for professional services included the following:

- *Audit Fees* – aggregate fees for audit services, which relate to the fiscal year consolidated audit, quarterly reviews, registration statements, and comfort letters were \$179,000 in 2011 and \$904,000 in 2012.
- *Audit-Related Fees* – aggregate fees for audit-related services were zero in 2011 and 2012.
- *Tax Fees*– aggregate fees for tax services, consisting of tax return compliance, tax advice and tax planning, were \$14,000 in 2011 and \$32,000 in 2012.
- *All Other Fees* – aggregate fees for all other services, were zero in 2011 and 2012.

It is our audit committee's policy to pre-approve all audit, audit related and permissible non-audit services rendered to us by our independent auditor. Consistent with such policy, all of the fees listed above that we incurred for services rendered by Grant Thornton LLP subsequent to our initial public offering in October 2012 and the formation of our audit committee were pre-approved by our audit committee.

ITEM 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

(a) Documents included in this report:

3. *Exhibits:*

The Exhibit Index of the Original Filing and the exhibits listed in the Exhibit Index beginning on E-1 of this Amendment are incorporated herein by reference.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

DIAMONDBACK ENERGY, INC.

Date: April 10, 2013

/s/ Travis D. Stice

Travis D. Stice

Chief Executive Officer and Director

EXHIBIT INDEX

Exhibit Number	Description
3.1	Amended and Restated Certificate of Incorporation of the Company (incorporated by reference to Exhibit 3.1 to the Form 10-Q, File No. 001-35700, filed by the Company with the SEC on November 16, 2012).
3.2	Amended and Restated Bylaws of the Company (incorporated by reference to Exhibit 3.2 to the Form 10-Q, File No. 001-35700, filed by the Company with the SEC on November 16, 2012).
4.1	Specimen certificate for shares of common stock, par value \$0.01 per share, of the Company (incorporated by reference to Exhibit 4.1 to Amendment No. 4 to the Registration Statement on Form S-1, File No. 333-179502, filed by the Company with the SEC on August 20, 2012).
4.2	Registration Rights Agreement, dated as of October 11, 2012, by and between the Company and DB Energy Holdings LLC (incorporated by reference to Exhibit 4.2 to the Form 10-Q, File No. 001-35700, filed by the Company with the SEC on November 16, 2012).
4.3	Investor Rights Agreement, dated as of October 11, 2012, by and between the Company and Gulfport Energy Corporation (incorporated by reference to Exhibit 4.3 to the Form 10-Q, File No. 001-35700, filed by the Company with the SEC on November 16, 2012).
10.1+	Equity Incentive Plan (incorporated by reference to Exhibit 10.1 to the Form 10-Q, File No. 001-35700, filed by the Company with the SEC on November 16, 2012).
10.2+	Form of Stock Option Agreement (incorporated by reference to Exhibit 10.13 to Amendment No. 4 to the Registration Statement on Form S-1, File No. 333-179502, filed by the Company with the SEC on August 20, 2012).
10.3+	Form of Restricted Stock Unit Agreement (incorporated by reference to Exhibit 10.14 to Amendment No. 4 to the Registration Statement on Form S-1, File No. 333-179502, filed by the Company with the SEC on August 20, 2012).
10.4+	Form of Director and Officer Indemnification Agreement (incorporated by reference to Exhibit 10.15 to Amendment No. 4 to the Registration Statement on Form S-1, File No. 333-179502, filed by the Company with the SEC on August 20, 2012).
10.5	Advisory Services Agreement, dated as of October 11, 2012, by and between Diamondback Energy, Inc. and Wexford Capital LP (incorporated by reference to Exhibit 10.4 to the Form 10-Q, File No. 001-35700, filed by the Company with the SEC on November 16, 2012).
10.6	Merger Agreement, dated as of October 11, 2012, by and between the Company and Diamondback Energy LLC (incorporated by reference to Exhibit 10.5 to the Form 10-Q, File No. 001-35700, filed by the Company with the SEC on November 16, 2012).
10.7+	Amended and Restated Employment Agreement, dated as of August 20, 2012, by and between Travis Stice and Windsor Permian LLC (incorporated by reference to Exhibit 10.29 to Amendment No. 5 to the Registration Statement on Form S-1, File No. 333-179502, filed by the Company with the SEC on October 2, 2012).
10.8+	First Amendment effective as of January 1, 2013 to the Amended and Restated Employment Agreement dated as of August 20, 2012 by and between Travis Stice and Windsor Permian LLC, as subsequently assigned to Diamondback E&P LLC (incorporated by reference to Exhibit 10.3 to the Form 8-K, File No. 001-35700, filed by the Company with the SEC on February 1, 2013).
10.9+	Amended and Restated Employment Agreement, dated as of January 1, 2012, by and between Teresa Dick and Windsor Permian LLC (incorporated by reference to Exhibit 10.30 to Amendment No. 3 to the Registration Statement on Form S-1, File No. 333-179502, filed by the Company with the SEC on July 5, 2012).
10.10+	First Amendment effective as of January 1, 2013 to the Amended and Restated Employment Agreement dated as of August 20, 2012 by and between Teresa Dick and Windsor Permian LLC, as subsequently assigned to Diamondback E&P LLC (incorporated by reference to Exhibit 10.4 to the Form 8-K, File No. 001-35700, filed by the Company with the SEC on February 1, 2013).
10.11+	Amended and Restated Employment Agreement, dated as of January 1, 2012, by and between Jeff White and Windsor Permian LLC (incorporated by reference to Exhibit 10.31 to Amendment No. 4 to the Registration Statement on Form S-1, File No. 333-179502, filed by the Company with the SEC on August 20, 2012).

Exhibit Number	Description
10.12+	First Amendment effective as of January 1, 2013 to the Amended and Restated Employment Agreement dated as of August 20, 2012 by and between Jeff White and Windsor Permian LLC, as subsequently assigned to Diamondback E&P LLC (incorporated by reference to Exhibit 10.5 to the Form 8-K, File No. 001-35700, filed by the Company with the SEC on February 1, 2013).
10.13	Amended and Restated Credit Agreement, dated July 24, 2012, by and among Diamondback Energy LLC, as borrower, Wells Fargo Bank, N.A., as administrative agent, and the lenders party thereto (incorporated by reference to Exhibit 10.33 to Amendment No. 4 to the Registration Statement on Form S-1, File No. 333-179502, filed by the Company with the SEC on August 20, 2012).
10.14	First Amendment to Credit Agreement, dated July 31, 2012, by and among Diamondback Energy LLC, as borrower, Wells Fargo Bank, N.A., as administrative agent, and the lenders party thereto (incorporated by reference to Exhibit 10.34 to Amendment No. 4 to the Registration Statement on Form S-1, File No. 333-179502, filed by the Company with the SEC on August 20, 2012).
10.15	Lease Agreement, dated as of April 19, 2011, by and between Fasken Midland, LLC and Windsor Permian LLC (incorporated by reference to Exhibit 10.7 to Amendment No. 2 to the Registration Statement on Form S-1, File No. 333-179502, filed by the Company with the SEC on June 11, 2012).
10.16	Lease Amendment No. 1 to Lease Agreement, dated as of June 6, 2011, by and between Fasken Midland, LLC and Windsor Permian LLC (incorporated by reference to Exhibit 10.8 to Amendment No. 1 to the Registration Statement on Form S-1, File No. 333-179502, filed by the Company with the SEC on May 8, 2012).
10.17	Lease Amendment No. 2 to Lease Agreement, dated as of August 5, 2011, by and between Fasken Midland, LLC and Windsor Permian LLC (incorporated by reference to Exhibit 10.9 to Amendment No. 1 to the Registration Statement on Form S-1, File No. 333-179502, filed by the Company with the SEC on May 8, 2012).
10.18	Lease Amendment No. 3 to Lease Agreement, dated as of September 28, 2011, by and between Fasken Midland, LLC and Windsor Permian LLC (incorporated by reference to Exhibit 10.10 to Amendment No. 1 to the Registration Statement on Form S-1, File No. 333-179502, filed by the Company with the SEC on May 8, 2012).
10.19	Lease Amendment No. 4 to Lease Agreement, dated February 6, 2012, by and between Fasken Midland, LLC and Windsor Permian LLC (incorporated by reference to Exhibit 10.11 to Amendment No. 1 to the Registration Statement on Form S-1, File No. 333-179502, filed by the Company with the SEC on May 8, 2012).
10.20	Lease Amendment No. 5 to Lease Agreement, dated as of July 25, 2012, by and between Fasken Midland, LLC and Diamondback E&P LLC (incorporated by reference to Exhibit 10.36 to Amendment No. 5 to the Registration Statement on Form S-1, File No. 333-179502, filed by the Company with the SEC on October 2, 2012).
10.21	Contribution Agreement, dated May 7, 2012, by and between the Company and Gulfport Energy Corporation (incorporated by reference to Exhibit 10.18 to Amendment No. 1 to the Registration Statement on Form S-1, File No. 333-179502, filed by the Company with the SEC on May 8, 2012).
10.22	Master Drilling Agreement, dated January 1, 2012, by and between Windsor Permian LLC and Bison Drilling and Field Services LLC (incorporated by reference to Exhibit 10.19 to Amendment No. 1 to the Registration Statement on Form S-1, File No. 333-179502, filed by the Company with the SEC on May 8, 2012).
10.23	Gas Purchase Agreement, dated May 1, 2009, by and between Windsor Permian LLC and Feagan Gathering Company (incorporated by reference to Exhibit 10.20 to Amendment No. 1 to the Registration Statement on Form S-1, File No. 333-179502, filed by the Company with the SEC on May 8, 2012).
10.24	Amendment to Gas Purchase Agreement, dated July 1, 2011, by and between Windsor Permian LLC and MidMar Gas LLC (incorporated by reference to Exhibit 10.21 to Amendment No. 1 to the Registration Statement on Form S-1, File No. 333-179502, filed by the Company with the SEC on May 8, 2012).
10.25	Amendment to Gas Purchase Agreement, dated January 11, 2012, by and between Windsor Permian LLC and MidMar Gas LLC (incorporated by reference to Exhibit 10.22 to Amendment No. 1 to the Registration Statement on Form S-1, File No. 333-179502, filed by the Company with the SEC on May 8, 2012).

Exhibit Number	Description
10.26	Shared Services Agreement, dated January 1, 2012 by and between Windsor Permian LLC and Everest Operations Management LLC (incorporated by reference to Exhibit 10.23 to Amendment No. 2 to the Registration Statement on Form S-1, File No. 333-179502, filed by the Company with the SEC on June 11, 2012).
10.27	Subordinated note made by Windsor Permian LLC in favor of Lambda Investors LLC, dated May 14, 2012 (incorporated by reference to Exhibit 10.23 to Amendment No. 2 to the Registration Statement on Form S-1, File No. 333-179502, filed by the Company with the SEC on June 11, 2012).
10.28	First Amendment to Subordinated Note made by Windsor Permian LLC in favor of Lambda Investors LLC, dated September 28, 2012 (incorporated by reference to Exhibit 10.35 to Amendment No. 5 to the Registration Statement on Form S-1, File No. 333-179502, filed by the Company with the SEC on October 2, 2012).
10.29	Crude Oil Purchase Agreement, dated May 24, 2012, by and between Windsor Permian LLC and Shell Trading (US) Company (incorporated by reference to Exhibit 10.26 to Amendment No. 4 to the Registration Statement on Form S-1, File No. 333-179502, filed by the Company with the SEC on August 20, 2012).
10.30	Shared Services Agreement, dated as of March 1, 2008, by and between Windsor Energy Resources LLC and Windsor Permian LLC (incorporated by reference to Exhibit 10.6 to Amendment No. 1 to the Registration Statement on Form S-1, File No. 333-179502, filed by the Company with the SEC on May 8, 2012).
10.31	Office Lease Agreement, dated June 8, 2012, by and between Windsor Permian LLC and Caliber Investment Group LLC (incorporated by reference to Exhibit 10.27 to Amendment No. 3 to the Registration Statement on Form S-1, File No. 333-179502, filed by the Company with the SEC on July 5, 2012).
10.32	Assignment and Assumption of Office Lease Agreement, effective June 1, 2012, by and between Windsor Permian LLC and Diamondback E&P LLC (incorporated by reference to Exhibit 10.28 to Amendment No. 3 to the Registration Statement on Form S-1, File No. 333-179502, filed by the Company with the SEC on July 5, 2012).
10.33	Master Drilling Agreement, effective as of January 1, 2013, by and between Diamondback E&P LLC and Bison Drilling and Field Services LLC (incorporated by reference to Exhibit 10.1 to the Form 8-K, File No. 001-35700, filed by the Company with the SEC on February 1, 2013).
10.34	Master Field Services Agreement, effective as of January 1, 2013, by and between Diamondback E&P LLC and Bison Drilling and Field Services LLC (incorporated by reference to Exhibit 10.2 to the Form 8-K, File No. 001-35700, filed by the Company with the SEC on February 1, 2013).
10.35	First Amendment to Master Field Services Agreement, dated as of February 21, 2013, by and between Diamondback E&P LLC and Bison Drilling and Field Services LLC (incorporated by reference to Exhibit 10.35 to the Form 10-K, File No. 001-35700, filed by the Company with the SEC on March 1, 2013).
10.36*+	Amended and Restated Employment Agreement dated as of August 20, 2012, by and between Michael Hollis and Windsor Permian LLC.
10.37*+	First Amendment effective as of January 1, 2013 to the Amended and Restated Employment Agreement dated as of August 20, 2012 by and between Michael Hollis and Windsor Permian LLC, as subsequently assigned to Diamondback E&P LLC.
10.38*+	Form of Amendment to Restricted Stock Unit Certificate.
10.39*	Lease Amendment No. 6 effective May 1, 2013 to Lease Agreement dated as of April 19, 2011, as amended, by and between Fasken Midland, LLC and Windsor Permian LLC.
21.1	List of Significant Subsidiaries of the Company (incorporated by reference to Exhibit 21.1 to the Form 10-K, File No. 001-35700, filed by the Company with the SEC on March 1, 2013).
31.1	Certification of Chief Executive Officer of the Registrant pursuant to Rule 13a-14(a) promulgated under the Securities Exchange Act of 1934, as amended (incorporated by reference to Exhibit 31.1 to the Form 10-K, File No. 001-35700, filed by the Company with the SEC on March 1, 2013).
31.2	Certification of Chief Executive Officer of the Registrant pursuant to Rule 13a-14(b) promulgated under the Securities Exchange Act of 1934, as amended, and Section 1350 of Chapter 63 of Title 18 of the United States Code (incorporated by reference to Exhibit 32.1 to the Form 10-K, File No. 001-35700, filed by the Company with the SEC on March 1, 2013).

Exhibit Number	Description
31.3*	Certification of Chief Executive Officer of the Registrant pursuant to Rule 13a-14(a) promulgated under the Securities Exchange Act of 1934, as amended.
31.4*	Certification of Chief Financial Officer of the Registrant pursuant to Rule 13a-14(a) promulgated under the Securities Exchange Act of 1934, as amended.
32.1	Certification of Chief Executive Officer of the Registrant pursuant to Rule 13a-14(b) promulgated under the Securities Exchange Act of 1934, as amended, and Section 1350 of Chapter 63 of Title 18 of the United States Code.
32.2	Certification of Chief Financial Officer of the Registrant pursuant to Rule 13a-14(b) promulgated under the Securities Exchange Act of 1934, as amended, and Section 1350 of Chapter 63 of Title 18 of the United States Code (incorporated by reference to Exhibit 32.2 to the Form 10-K, File No. 001-35700, filed by the Company with the SEC on March 1, 2013).
99.1	Report of Ryder Scott Company, L.P. (incorporated by reference to Exhibit 99.1 to the Form 10-K, File No. 001-35700, filed by the Company with the SEC on March 1, 2013).
101.INS	XBRL Instance Document (incorporated by reference to Exhibit 101.INS to the Form 10-K, File No. 001-35700, filed by the Company with the SEC on March 1, 2013).
101.SCH	XBRL Taxonomy Extension Schema Document (incorporated by reference to Exhibit 101.SCH to the Form 10-K, File No. 001-35700, filed by the Company with the SEC on March 1, 2013).
101.CAL	XBRL Taxonomy Extension Calculation Linkbase (incorporated by reference to Exhibit 101.CAL to the Form 10-K, File No. 001-35700, filed by the Company with the SEC on March 1, 2013).
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document (incorporated by reference to Exhibit 101.DEF to the Form 10-K, File No. 001-35700, filed by the Company with the SEC on March 1, 2013).
101.LAB	XBRL Taxonomy Extension Labels Linkbase Document (incorporated by reference to Exhibit 101.LAB to the Form 10-K, File No. 001-35700, filed by the Company with the SEC on March 1, 2013).
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document (incorporated by reference to Exhibit 101.PRE to the Form 10-K, File No. 001-35700, filed by the Company with the SEC on March 1, 2013).

* Filed herewith.

+ Management contract, compensatory plan or arrangement.

WINDSOR PERMIAN, LLC
MICHAEL HOLLIS EMPLOYMENT AGREEMENT

This Amended and Restated Employment Agreement (this "**Agreement**") is entered into as of January 1, 2012 by and between Windsor Permian, LLC, a Delaware limited liability company (the "**Company**"), and Michael Hollis ("**you**" or "**Employee**").

1. **Term of Employment.** Except for earlier termination as provided in Section 9 below, your employment under this Agreement shall be for a term (the "**Term**") commencing as of September 12, 2011 (the "**Effective Date**") and terminating on the third (3rd) anniversary of the Effective Date.

2. **Compensation.**

(a) During the Term, you shall be compensated for all services rendered by you under this Agreement at the rate of \$230,000.00 per annum (the "**Base Salary**"). The Base Salary shall be payable in such manner as is consistent with the Company's payroll practices for executive employees and subject to the usual, required withholding.

(b) During the Term, you shall be eligible to receive an annual bonus in accordance with the Company's bonus policy as established by the Manager of the Company (as such term is defined in its limited liability company agreement) or Board of Directors of the Company, if constituted (the "**Board**") from time to time (the "**Annual Bonus**"). The Annual Bonus shall be determined by the Board based upon your achievement of performance goals as determined by the Board for each fiscal year of the Company. You shall be eligible to receive a target Annual Bonus of 50% of your Base Salary subject to your achievement of such performance goals. The Annual Bonus shall be paid within fifteen (15) business days after (i) completion and release of the audited financial statements for the applicable fiscal year or (ii) if the Board determines that an audit is not required, the close and approval by the Board of the Company's books for the applicable fiscal year; provided, however, you must still be employed by the Company on the payment date to receive the Annual Bonus. The Company shall have the right to condition the payment of any Bonus amounts on your execution of a document reasonably acceptable to the Company pursuant to which you confirm, ratify and agree that this Agreement and all of its provisions are valid and binding and are enforceable against you in accordance with their terms.

(c) On the Effective Date, you were granted an option to acquire a one half of one percent (0.5%) membership interest in the Company for an exercise price of \$2,500,000.00 (or a *pro rata* portion thereof, for any partial exercise of such option) (the "**Company Option**"), subject to vesting and the other conditions set forth in this Section 2. If the Company sells all or a material portion of its oil and gas properties owned by the Company as of the Effective Date (the "**Assets**") before you exercise the Company Option, the exercise price will be reduced by an amount equal to one half of one percent (0.5%) of the net cash proceeds from such sale(s) but only to the extent that such net proceeds have actually been distributed to the holders of the Company's membership interests prior to the Contribution (as defined in Section 2(d) below) or to the stockholders of Diamondback (as defined below) after the Contribution (as defined below) (the "**Reduction Amount**"). However, in no event will the Reduction Amount exceed an amount that will cause the exercise price to be less than the fair market value of the membership interests subject to the Company Option on the date the Reduction Amount becomes applicable. In order to exercise any vested portion of the Company Option, you will give the Board written notice of your desire to exercise same on or before the earlier of (i) the fifth (5th) anniversary date of the Effective Date and (ii) the termination of your employment with the Company for any reason or no reason other than your death, Disability or No Cause Termination (each as defined below) (the "**Expiration Date**"); provided, however, that your right to exercise the Company Option shall be suspended commencing on the date a registration statement relating to an IPO (as defined below) is filed with the Securities and Exchange Commission and such suspension shall continue until the earliest of: (x) December 31, 2013, (y) the date the registration statement is withdrawn and (z) the date a definitive agreement for the sale of the Company or all or substantially all of its assets is entered into (the "**Exercise Suspension Period**"). In the event your employment with the Company terminates on account of your death, Disability or No Cause Termination, the Expiration Date will be the earlier of the fifth (5th) anniversary date of the Effective Date or the 90th day following your death, Disability or No Cause Termination; provided, however, if the period of time between your death, Disability or No Cause Termination and the Expiration date at all times is subject to Exercise Suspension Period, the Expiration Date will be the earlier of the fifth (5th) anniversary date of the Effective Date or the 30th day following the end of the Exercise Suspension Period. If you fail to notify the Board in writing on or before the Expiration Date of your desire to exercise the Company Option, then

the Company Option shall terminate and you shall have no further right to acquire membership interests in the Company under this Section 2(c). The Company Option shall vest in four (4) equal amounts on the first four anniversary dates of the Effective Date, subject to your continued employment on each such date; provided that if your employment terminates for any reason other than your death, Disability or No Cause Termination, the Company Option shall cease vesting as of the date of such termination, and any unvested portion of the Company Option shall immediately be forfeited and become void. In the event you exercise the Company Option, then within ten (10) days of such exercise you shall enter into a definitive acquisition agreement with the Company containing typical terms of a transaction of this type, which shall also provide for a closing within fifteen (15) days of such exercise, and an agreement containing, for example, restrictions on transfer, drag-along rights, capital calls, dilution and such other terms as the Company may require in its discretion. In the event that either (i) more than fifty percent (50%) of the combined voting power of the Company's then outstanding securities is controlled by one or more parties that are not either a Wexford Party (defined below), any employee benefit plan sponsored or maintained by a Wexford Party, any employee or group of persons including an employee of a Wexford Party or an underwriter temporarily holding securities pursuant to an offering of securities and there is either (a) a material diminution in your position, duties, or authority or (b) your required relocation by the Company to a location that is outside a 50-mile radius of Midland, Texas (an "**Option Event**") or (ii) your death, Disability or No Cause Termination, then the Company Option shall vest immediately. Notwithstanding anything to the contrary herein, if you exercise all or part of the Company Option under this Section 2(c), you will not be eligible to receive a Diamondback Option (as defined below) in substitution of such exercised Company Option or portion thereof.

(d) It is currently contemplated that the Company will participate in an initial public offering (the "**IPO**"). The IPO will be accomplished through the sale of common stock of a new Delaware corporation formed for that purpose ("**Diamondback**"), and an affiliate of the Company, pursuant to a registration statement filed with and declared effective by the United States Securities and Exchange Commission. Prior to the completion of the IPO, all of the membership interests in the Company will be contributed to Diamondback in exchange for common stock of Diamondback (the "**Contribution**") and the Company will become a wholly-owned subsidiary of Diamondback. If the Contribution occurs, your Company Option to acquire membership interests of the Company will be canceled and your rights to acquire membership interests in the Company and all your rights under the Company Option will terminate. If you continue to be employed at the time of the Contribution, you will be entitled to receive the following: (i) a cash bonus in the amount of \$350,000.00 (the "**Transaction Bonus**"), less applicable tax withholdings; (ii) the grant of Restricted Stock Units (the "**RSU Award**") in an amount equal to \$600,000 divided by the initial price per share of the common stock to the public in the IPO (the "**IPO Price**"), rounded up or down to the closest whole number of Restricted Stock Units, upon the terms and subject to the conditions set forth in the Diamondback Energy, Inc. 2012 Equity Incentive Plan (the "**Plan**") and the RSU award agreement granted under the Plan, including the vesting commencement date and the vesting schedule, including the Option Event and other vesting events, applicable to the Company Option (provided that the first settlement date on which vested shares will be transferred to you will not be earlier than the expiration of any lock-up agreements entered into in connection with the IPO); and (iii) the grant of an option to purchase 100,000 shares of Diamondback common stock (the "**Diamondback Option**") upon the terms and subject to the conditions set forth in the Plan. The Diamondback Option will be granted effective as of the date of the Contribution, will have an exercise price equal to the fair market value of the Diamondback common stock on the grant date (which will be the IPO Price) and will be exercisable in accordance with the vesting commencement date and the vesting schedule, including the Option Event and other vesting events, applicable to the Company Option. In order to exercise any vested portion of the Diamondback Option, you shall give the Board written notice of your desire to exercise the Diamondback Option on or before the Expiration Date in the manner specified in the Plan and the option agreement. Payment of the Transaction Bonus and delivery of the RSU Award and the Diamondback Option are intended to occur promptly after the closing of the IPO, but in no event later than thirty (30) days after the closing of the IPO.

(e) You hereby acknowledge that you received a signing bonus of \$30,000.00 that was paid within 15 days of the Effective Date.

3. **Duties.**

(a) You shall serve as Vice President – Drilling of the Company, shall be subject to the general supervision and control of the Board and/or such other officers or individuals as it may designate, and shall provide such services customarily expected of such office and as may be reasonably requested by the Board (or its designee) from time to time. Your principal office shall be located in Midland, Texas.

(b) During the Term, you shall devote your full business time, energies and attention to the business and affairs of the Company, and its subsidiaries (collectively, the “**Windsor Group**” or the “**Windsor Companies**” and each of them, individually, a “**Windsor Company**”), and you shall not engage in any other business activities; provided, however, that you shall be permitted to engage in such charitable and other activities as do not interfere with the performance of your duties under this Agreement and are approved in writing by the Board.

(c) You shall: (i) provide services hereunder to the best of your skills and ability and in an efficient manner and devote such time and effort to the business and affairs of the Company as necessary or advisable to perform your duties hereunder; (ii) act in a manner which you in good faith believe is in the best interests of the Company; (iii) implement any business plan adopted by the Company and then in effect; (iv) perform your duties hereunder, including without limitation any duties reasonably assigned to you by the Company, in good faith; (v) keep the Company reasonably informed on all matters that are material to the Company; (vi) be subject to, and comply with, the Company’s and the Windsor Group’s rules, practices and policies applicable to executive employees as reflected in the employee handbook, codes of conduct, compliance policies or otherwise, as may be amended from time to time; and (vii) cause the Company to comply with all applicable laws and regulations and monitor the development, maintenance, operation and management of the business of the Company to ensure such development, maintenance, operation and management complies with all applicable laws.

4. **Benefits.** You shall be entitled to twenty-five (25) paid vacation days per annum. You also shall have the benefit of such life and medical insurance plans and other similar plans as the Windsor Group may have or may establish from time to time for its executive employees generally, subject to satisfaction of applicable eligibility requirements. The foregoing, however, shall not be construed to require any Windsor Company to establish any such plans or to prevent any Windsor Company from modifying or terminating any such plans, and no such action or failure thereof shall affect this Agreement.

5. **Expenses.** The Company shall reimburse you, in accordance with the Company’s policies, for reasonable expenses incurred by you in the ordinary course in connection with the business of the Windsor Group upon the presentation by you of appropriate substantiation for such expenses.

6. **Restrictive Covenants.**

(a) Subject to Section 6(b) below, from the Effective Date until the later of the termination of your employment with, engagement as a consultant of, or other affiliation with, any Windsor Company, and for a period ending on the date that is six (6) months thereafter (such period, the “**Restricted Period**”), neither you nor any of your affiliates shall, without the written consent of the Board, at any time or in any manner, either directly or indirectly, become associated with, render services to, invest in, represent, advise or otherwise participate as an officer, employee, director, stockholder, partner, member, agent of or consultant for any company, business, organization or other legal or natural person that engages or participates in the Restricted Business; provided, however, that nothing herein shall prevent you from acquiring up to two percent (2%) of the securities of any company listed on a national securities exchange or quoted on the NASDAQ quotation system, provided your involvement with any such company is solely that of a passive stockholder. For purposes of this Agreement, “**Restricted Business**” means (i) the oil and gas exploration and production business in Texas, Oklahoma and New Mexico and each other area, location or field in which the Windsor Group conducts or is preparing to conduct business during the term or (ii) any other business or operation that is in competition with any business or operations managed or operated by or under consideration or in development by any Windsor Company.

(b) The parties hereto intend that the covenant contained in this Section 6 shall be deemed a series of separate covenants for each state, county and city in which the Windsor Group’s business is conducted or is preparing to be conducted. If, in any judicial proceeding, a court shall refuse to enforce all of the separate covenants deemed included in this Section 6 because, taken together, they cover too extensive a geographic area, the parties intend that those covenants (taken in order of the states, counties and cities therein which are least populous), which if eliminated would permit the remaining separate covenants to be enforced in such proceeding, shall, for the purpose of such proceeding, be deemed eliminated from the provisions of this Section 6.

7. **Confidentiality, Non-Interference, Proprietary Information and Non-Solicitation.**

(a) **Confidentiality.** In the course of your employment by the Windsor Companies, you have had, and/or shall have, access to confidential or proprietary data or information of the Windsor Group, Wexford Capital LP (“**Wexford**”), any affiliates of the foregoing, the investment funds and managed accounts for which Wexford or its affiliates serves as general partner or acts as investment manager (the “**Funds**”), entities managed by Wexford or served by the Windsor Group, including without limitation entities in which the Funds have invested, directly or indirectly and their respective businesses (collectively the “**Wexford Parties**” and each of them individually, a “**Wexford Party,**” which for the avoidance of doubt shall include the Windsor Group). You shall not at any time during or after your employment divulge or communicate to any person (which term, for purposes of this Agreement, includes both persons or entities) nor shall you direct any Windsor Group employee to divulge or communicate to any person (other than to a person bound by confidentiality obligations similar to those contained herein and other than as necessary in performing your duties hereunder), or use to the detriment of the Wexford Parties or for the benefit of any other person, any of such data or information. No business conducted by you or any organization of which you, directly or indirectly, are an owner, partner, manager, joint venturer, director, officer, manager or otherwise a participant in or connected with in any locality, state or country in which the Wexford Parties conduct business shall use any name, designation or logo which is substantially similar to that presently used by any Wexford Party. The term “confidential or proprietary data or information” as used in this Agreement shall mean any information not generally available to the public or generally known within the applicable Wexford Party’s industry, including, without limitation, personnel information, financial information, customer lists or contacts, supplier lists, strategy and plans, information regarding operations, systems, services, know-how, computer and any other processed or collated data, trade secrets (including, without limitation, software), computer programs, pricing, marketing and advertising data.

(b) **Non-Interference.** You agree that, during the Restricted Period, you shall not, at any time or in any manner, either directly or indirectly, for your own account or for the account of any other person, interfere with any Wexford Party’s relationship with any of its employees, suppliers or regulators.

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

(d) **Return of Property.** All materials, records and documents in any medium made by you or coming into your possession during your employment concerning any products, processes or services, manufactured, used, developed, investigated, provided or considered by any Wexford Party or otherwise concerning the business or affairs of the Wexford Parties, shall be the sole property of the applicable Wexford Party, and upon termination of your employment, or upon request of the Company during your employment, you shall promptly deliver the same to the Wexford Party designated by the Company. In addition, upon termination of your employment, or upon request of the Company during your employment, you shall deliver to the Wexford Party designated by the Company all other property of the Wexford Parties in your possession or under your control, including, but not limited to, financial statements, marketing and sales data, drawings, documents and electronic records.

(e) **Non Solicitation of Customers.** Notwithstanding any other provision of this Agreement, you agree that, during the Restricted Period, you shall not at any time or in any manner, on your own behalf, or on behalf of any other individual, sole proprietorship, business, firm, partnership, company, corporation or other entity other than the Company, directly solicit, or ask anyone else to solicit, the sale of goods, services or a combination of goods and services, which are the same or similar to those provided by the Windsor Group, from Established Customers. You further agree that for the same period, you will not in any way interfere or attempt to interfere with the Windsor Group’s relationships with any of their Established Customers. “**Established Customers**” means any customer that the Windsor Group has actually done business with during the twelve (12) months preceding the last date of the Restricted Period.

(f) **Non Solicitation, Non Hire of Employees.** Notwithstanding any other provision of this Agreement, you agree that, during the Restricted Period, you shall not at any time or in any manner, either directly or indirectly, either on your behalf or on behalf of any person (other than the Windsor Group), recruit, solicit, hire, divert or otherwise encourage or attempt to recruit, solicit, hire, divert or otherwise encourage any officer or employees or agents of any Windsor Company to enter into any employment, consulting or advisory arrangement or contract with or to perform any services for or on your behalf or on behalf of any person (other than the Windsor Group), or to enter into any kind of business with you or any other person, including, without limitation, any Restricted Business.

(g) **Non-Disparagement.** You agree not to make public statements, negative comments or otherwise disparage any Wexford Party or any Wexford Party's officers, directors, employees, agents, shareholders or other equity holders in any manner harmful to them or their business, business reputation or personal reputation. The foregoing shall not be violated by truthful statements in response to legal process, required governmental testimony or filings, or administrative or arbitral proceedings (including, without limitation, depositions in connection with such proceedings).

(h) **Cooperation.** Upon the receipt of reasonable notice from the Company (including outside counsel), you agree that while employed by any Windsor Company and thereafter, you shall provide reasonable assistance to any Wexford Party and their respective representatives in defense of any claims that may be made against any Wexford Party and shall assist any Wexford Party in the prosecution of any claims that may be made by any Wexford Party, to the extent that such claims relate to the period of your employment with a Windsor Company. You agree to promptly inform the Company if you become aware of any lawsuits involving such claims that may be filed or threatened against any Wexford Party. You also agree to promptly inform the Company (to the extent legally permitted to do so) if you are asked to assist in any investigation of any Wexford Party (or its actions), regardless of whether a lawsuit or other proceeding has then been filed against any Wexford Party with respect to such investigation. Upon presentation of appropriate documentation, the Company shall pay or reimburse you for all reasonable out-of-pocket expenses incurred by you in complying with this Section 7(h). If at the time of compliance you are no longer an employee, officer or director (or functional equivalent) of any Windsor Company, the Company shall provide a reasonable per diem to you.

8. **Interpretation, Enforcement and Construction.**

(a) **Equitable Relief.** With respect to the covenants contained in Sections 6 and 7 of this Agreement, you agree that any remedy at law for any breach of said covenants may be inadequate and that the Company shall be entitled to specific performance or any other mode of injunctive and/or other equitable relief to enforce its rights hereunder or any other relief a court might award. In the event of a violation by you of Section 6 or Section 7 hereof, any compensation being paid to you pursuant to this Agreement or otherwise shall immediately cease, and any Base Salary previously paid to you after termination of your employment shall be immediately repaid to the Company. The amount of any earned Base Salary paid for the period prior to termination of your employment shall be retained by you.

(b) **Reformation.** The agreements made in Sections 6 and 7 are material inducements for you to enter into this Agreement and the Company would not have made this Agreement with you without such assurances. You understand and agree that the geographic area applicable to Section 6 is based on the nature of the products and services provided by the Windsor Group and the broad distribution of their customers, and that the limitations set forth therein are reasonable in geographic area and time and necessary for the protection of the Windsor Group and its goodwill. However, if any court shall determine that the time, geographic area or scope of activity of any restriction contained in Section 6 is unenforceable, it is our intention that such limitation set forth herein shall not be terminated but shall be amended to the extent required to render it valid and enforceable. A court hearing any such dispute is empowered and authorized by the parties to reform this Agreement to the maximum time, scope or geographic limitations permitted by applicable law.

9. **Earlier Termination.** Your employment shall terminate prior to the expiration of the Term on any of the following terms and conditions:

(a) **Death or Disability.** Your employment shall terminate automatically on the date of your death or immediately upon the Company's sending you a notice of termination for "**Disability**", which shall mean your inability to perform your duties hereunder for ninety (90) days (whether or not continuous) during any period of three

hundred sixty-five (365) consecutive days by reason of physical or mental disability. Upon termination of your employment for death or Disability pursuant to this Section 9(a), the Company's sole obligations to you shall be, subject to your compliance with the provisions of Sections 6 and 7 hereof, to (i) pay your Base Salary for the remainder of the Term, which shall be paid as and when such amounts would have been due had your employment continued and (ii) honor any obligations of the Company with respect to the Company Option or Diamondback Option, as applicable, under Sections 2(c) and (d) hereof.

(b) **Resignation Not for Good Reason; Termination for Cause.** Your employment shall terminate (x) no less than thirty (30) days after you send the Company written notice of resignation or (y) immediately upon the Company's sending you written notice terminating your employment hereunder for Cause (as defined below), and you and the Company shall have no further obligations hereunder other than your obligations under Sections 6 and 7 hereof and the Company's obligation to pay you any of your accrued but unpaid Base Salary through the date of termination and honor any of its obligations with respect to the vested portion of any Company Option or Diamondback Option, as applicable, under Sections 2(c) and (d) hereof. "**Cause**" shall mean (A) your willful and knowing refusal or failure (other than during periods of illness, physical or mental incapacity) to perform your duties in any material respect under this Agreement; (B) your willful misconduct or gross negligence in the performance of your duties; (C) your material breach of this Agreement, any other agreement entered into by you related to the Company or its affiliates, or any Company or Windsor Group policy (including any applicable code of conduct); (D) your breach of Sections 6 or 7 of this Agreement; (E) your conviction of, entry of a guilty plea or a plea of *nolo contendere* to any criminal act that constitutes a felony or involves, fraud, dishonesty, or moral turpitude; (F) your indictment for any felony involving embezzlement or theft or fraud; (G) your filing of a voluntary petition in bankruptcy or your consent to an involuntary petition in bankruptcy (or your failure to vacate, within ninety (90) days of the entry thereof, any order approving an involuntary petition in bankruptcy) or the entry of an order, judgment or decree by any court of competent jurisdiction, on the application of a creditor, adjudicating you as bankrupt or insolvent or the appointment of a receiver, trustee, or liquidator of all or a substantial part of your assets, and such order, judgment or decree's continuing unstayed and in effect for any period of ninety (90) days; (H) your dishonesty in connection with your responsibilities as an employee; or (I) your failure to comply with any lawful directive of the Board after five (5) business days' written notice to you thereof. If you terminate your employment pursuant to clause (x) of the preceding sentence, the Company shall be entitled to accelerate the effectiveness of the termination of your employment to whatever time and date as it shall designate in writing to you in its sole discretion.

(c) **Resignation for Good Reason; Termination Without Cause.** Your employment shall terminate immediately upon the Company's sending you written notice terminating your employment hereunder without Cause for any reason or for no reason (a "**No Cause Termination**") or upon your resignation in the event of any (i) material breach by the Company hereunder or (ii) material diminution in the your position, duties, or authority, which in either case is not cured within thirty (30) business days after written notice thereof by you to the Board (which notice must be provided by you to the Company within 90 days following the initial occurrence of such event) and an opportunity to cure within the notice period (collectively, "**Good Reason Resignation**"). Any termination on account of a Good Reason Resignation must occur within two years following the initial occurrence of such event. Upon any such No Cause Termination or Good Reason Resignation, as the case may be, the Company's sole obligation(s) to you shall be (x) in the case of a No Cause Termination or your Good Reason Resignation under this Section 9(c), to pay you your Base Salary for the remainder of the Term, which shall be paid as and when such amounts would have been due had your employment continued and (y) in the case of a No Cause Termination, to honor any obligations of the Company with respect to the Company Option or Diamondback Option, as applicable, under Sections 2(c) and (d) hereof; provided that any such payment shall be subject to your continued compliance with the provisions of Sections 6 and 7 hereof and your executing (and not revoking) a full general release in a form as requested by the Company, releasing all claims, known or unknown, that you may have against any Wexford Party, their officers, directors, employees and agents, arising out of or any way related to your employment or termination of employment with the Company; provided further that, for the purposes of this Section 9(c) only, the Restricted Period under Section 6 shall end on the last day of the Term. Payments provided under this Section 9(c) shall be in lieu of any termination or severance payments or benefits for which you may be eligible under any of the plans, policies or programs of the Company or its affiliates or under the WARN Act or any similar state statute or regulation. If you accept other employment or engages in your own business prior to the last date of the Term, you shall promptly notify the Company.

(d) **"At-Will" Employment.** Any continued employment with the Company during and after the Term is "at-will", meaning you have the right at any time, and for any reason or no reason, to terminate your employment with or without notice, and the Company has the same right. You understand and agree the Company

shall not be obligated to continue your employment prior to the expiration of the Term. Any continuation of employment after the Term shall be on such terms and conditions as the Company shall then offer in its discretion.

(e) **No Other Obligation.** Except as specifically set forth in Sections 9(a) and (c) above, upon termination of your employment under this Agreement, the Company's obligations hereunder shall cease and neither the Company nor, for the avoidance of doubt, any other Windsor Company, shall have any further obligations to you whatsoever.

10. **Representation and Warranty.** You represent that you do not have any contractual or other obligations that would conflict with your employment by the Company. In particular, you represent that you are not bound by any agreement, understanding or other obligation with or to any person or entity (including, without limitation, any confidentiality, non-competition or non-solicitation agreement) that prohibits you from accepting or continuing your employment by the Company and fully performing all of your duties for the Company. You also acknowledge that it is the Company's policy to respect the legal rights of others to protect their confidential information. You therefore represent that you have not taken or retained any confidential information (or other property) belonging to a prior employer and shall not use or disclose any such confidential information in connection with your work for the Company. Any inaccuracy of any of the statements set forth in this Section 10 shall constitute "Cause" for purposes of this Agreement, in which event we would be entitled to terminate your employment under Section 9(b) above with the effect set forth therein.

11. **Dealings with Related Parties.** You shall not engage in any dealings on behalf of any Windsor Company with any party in which you or any person or entity affiliated with you, or members of your or their respective immediate families, has a financial interest, without first disclosing same to the Board in a writing specifically describing the nature of the interest and obtaining the Company's prior written approval.

12. **Entire Agreement; Modification.** This Agreement constitutes the full and complete understanding of the parties with respect to your employment arrangements with the Company and any of its affiliates and shall, on the Effective Date, supersede all prior agreements and writings between you, on the one hand, and the Company or any other Windsor Company (or any of their respective predecessors), on the other hand, with respect to your employment arrangements with the Company or any of its affiliates (the "**Prior Agreements**"). No representations, inducements, promises, agreements or understandings, oral or otherwise, have been made by either party to this Agreement, or anyone acting on behalf of either party, which are not set forth herein, and any others are specifically waived. This Agreement may not be amended or modified in any manner nor may any of its provisions be waived except by written amendment executed by the parties. A waiver, modification or amendment by a party shall only be effective if (a) it is in writing and signed by the parties, (b) it specifically refers to this Agreement and (c) it specifically states that the party is waiving, modifying or amending its rights hereunder. Any such amendment, modification or waiver shall be effective only in the specific instance and for the specific purpose for which it was given.

13. **Severability.** The terms and provisions of this Agreement shall be deemed severable, and the invalidity or unenforceability of any one or more of the provisions hereof shall not affect the validity or enforceability of any one or more of the other provisions hereof. In the event any term or provision of this Agreement which is invalid or unenforceable in any jurisdiction shall, as to such jurisdiction, shall be ineffective to the extent of such invalidity or unenforceability without rendering invalid or unenforceable the remaining terms and provisions of this Agreement or affecting the validity or enforceability of any of the terms or provisions of this Agreement in any other jurisdiction and the parties agree the conflicting term or provision shall be modified to conform.

14. **Notices.** All notices and other communications given or made pursuant to this Agreement shall be in writing and shall be deemed effectively given upon the earlier of actual receipt or: (a) personal delivery to the party to be notified, (b) when sent, if sent by electronic mail or facsimile during normal business hours of the recipient, and if not sent during normal business hours, then on the recipient's next business day, (c) five (5) days after having been sent by registered or certified mail, return receipt requested, postage prepaid, or (d) one (1) business day after deposit with a nationally recognized overnight courier, freight prepaid, specifying next business day delivery, with written verification of receipt, if to you, to your residence, email or facsimile, as applicable, as listed in the Company's records, and if to the Company, c/o Wexford Capital LP, 411 West Putnam Avenue, Greenwich, Connecticut 06830, attention of General Counsel, email: aamron@wexford.com, facsimile: 203-862-7312, with a copy to Windsor Permian, LLC, 14301 Caliber Drive, Suite 300, Oklahoma City, Oklahoma 73134, attention of General Counsel.

15. **Assignability; Binding Effect.** This Agreement shall not be assignable by you without the written consent of the Board. Any other attempted assignment, transfer, conveyance or other disposition of your right to compensation or other benefits will be null and void. This Agreement shall be binding upon and inure to the benefit of you, your legal representatives, heirs and distributees, and shall be binding upon and inure to the benefit of the Company, its affiliates and its and their respective successors and assigns, including, without limitation, those by asset assignment, stock sale, merger, consolidation or other reorganization (each a "**Permitted Assignee**"). The Company shall have the right to assign its rights and obligations under this Agreement to any Permitted Assignee and will give you written notice of any such assignment.

16. **Governing Law; Venue; Waiver of Trial by Jury.**

(a) This Agreement and the rights of the parties hereunder shall be governed by, interpreted, and enforced in accordance with the internal laws of the State of Texas without giving effect to any choice of law or conflicts of law rules or provisions thereof.

(b) Each party irrevocably agrees that any action or proceeding involving any dispute or matter arising under this Agreement may only be brought in the federal courts of the State of Texas, or if such court does not have jurisdiction or shall not accept jurisdiction, in any court of general jurisdiction in the State of Texas. All parties hereby irrevocably consent to the exclusive jurisdiction by any such court with respect to any such proceeding and hereby irrevocably waives, and agrees not to assert, by way of motion, as a defense, counterclaim or otherwise (i) any claim that it is not personally subject to the jurisdiction of the above-named courts for any reason other than by failure to lawfully serve process, (ii) that it or its property is exempt or immune from the jurisdiction of any such court or from any legal process commenced in such courts, and (iii) to the fullest extent permitted by applicable law, that (x) the action or proceeding is brought in an inconvenient forum, (y) the venue of such action or proceeding is improper and (z) this Agreement or the subject matter thereof may not be enforced in or by such courts.

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

17. **Prevailing Party Expenses.** In the event that litigation or other legal action is instituted between you and the Company or any of its affiliates to enforce the rights under this Agreement, the successful party in such litigation or other legal action shall be entitled to reimbursement from the unsuccessful party in such litigation or other legal action of all reasonable fees, costs and expenses (including court costs and reasonable attorneys' fees) incurred by such successful party in connection with such litigation or other legal action.

18. **Third Party Beneficiaries.** The Wexford Parties and their successors and assigns, as express third party beneficiaries of this Agreement, shall be entitled, in their sole and absolute discretion, to enforce any of the provisions hereof from time to time, including, but not limited to, the restrictions set forth in Sections 6 and 7 of this Agreement.

19. **Titles and Subtitles.** The titles and subtitles used in this Agreement are used for convenience only and are not to be considered in construing or interpreting this Agreement.

20. **Counterparts; Facsimile.** This Agreement may be executed and delivered by facsimile signature and in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

21. **Review of this Agreement.** You acknowledge that you have (a) carefully read this Agreement, (b) consulted with independent counsel with respect to this Agreement and (c) entered into this Agreement of your own free will.

22. **Survival.** The obligations of Sections 6, 7, 8, 14, 16 and 17 shall expressly survive any expiration or termination of this Agreement.

23. **Background Verification.** You hereby authorize the Company to conduct one or more Background Verifications prior to and during your actual employment. “**Background Verification**” includes, without limitation, information regarding your employment and other experience, educational background and any criminal, credit or regulatory history. You further authorize, without reservation, any law enforcement agency, administrator, court, governmental body, federal or provincial agency, institution, school or university (public or private), information service bureau, employer or insurance company contacted by the Company or any agent of the Company to furnish the information set forth in the preceding sentence as part of the employment application process. You hereby consent to and understand that the Company will only use the information collected for the purposes of (if and as applicable) establishing or continuing your employment, including without limitation, evaluating your employment application, determining employment eligibility under the Company’s employment policies, assessing property and business risks to the Company, and otherwise as may be permitted or required by law. You authorize and consent to the release of records obtained through such checks to the authorized representatives of the Company or its agents, and to the Company’s affiliates, for the purposes described above. You acknowledge and agree that any information relating to a Background Verification may be shared with any Wexford Party and stored on the respective servers.

24. **Code Section 409A and Other Tax Considerations.**

(a) **Deferred Compensation Exceptions.** Payments under this Agreement will be administered and interpreted to maximize the short-term deferral exception to and the involuntary separation pay exception under Section 409A of the Internal Revenue Code of 1986, as amended (the “Code”), and the regulations thereunder (collectively “**Section 409A**”). The portion of any payment under this Agreement that is paid within the short-term deferral period (within the meaning of Code Section 409A and Treas. Regs. §1.409A-1(b)(4)) or that is paid within the involuntary separation pay safe harbor (as described in Code Section 409A and Treas. Regs. §1.409A-1(b)(9)(iii)) will not be treated as nonqualified deferred compensation and will not be aggregated with other nonqualified deferred compensation plans or payments.

(b) **Separate Payments and Payment Timing.** Any payment or installment made under this Agreement and any amount that is paid as a short-term deferral, within the meaning of Treas. Regs. §1.409A-1(b)(4), will be treated as separate payments. Employee will not, directly or indirectly, designate the taxable year of a payment made under this Agreement. Payment dates provided for in this Agreement will be deemed to incorporate grace periods that are treated as made upon a designated payment date within the meaning of Code Section 409A and Treas. Regs. §1.409A-3(d).

(c) **General 409A Provisions.** If for any reason, the short-term deferral or involuntary separation pay plan exception is inapplicable, payments and benefits payable to Employee under this Agreement are intended to comply with the requirements of Section 409A of the Internal Revenue Code of 1986, as amended (the “Code”). To the extent the payments and benefits under this Agreement are subject to Section 409A of the Code, this Agreement will be interpreted, construed and administered in a manner that satisfies the requirements of Sections 409A(a)(2), (3) and (4) of the Code and the Treasury Regulations thereunder (and any applicable transition relief under Section 409A of the Code). The Company does not guaranty or warrant the tax consequences of this Agreement and, except as specifically provided to the contrary in this Agreement, Employee will, in all cases, be liable for any taxes due as a result of this Agreement. Neither the Company nor any of its affiliates shall have any obligation to indemnify or otherwise hold you harmless from any or all such taxes, interest or penalties, or liability for any damages related thereto. Employee acknowledges that he has been advised to obtain independent legal, tax or other counsel in connection with Section 409A.

(i) If Employee or the Company determines that any payments or benefits payable under this Agreement intended to comply with Sections 409A(a)(2), (3) and (4) of the Code do not comply with Section 409A of the Code, Employee and the Company agree to amend this Agreement, or take such other actions as Employee and the Company deem reasonably necessary or appropriate, to comply with the requirements of Section 409A of the Code, the Treasury Regulations thereunder (and any applicable relief provisions) while preserving the economic agreement of the parties. If any provision of the Agreement would cause such payments or benefits to fail to so comply, such provision will not be effective and will be null and

void with respect to such payments or benefits, and such provision will otherwise remain in full force and effect.

(ii) All payments considered nonqualified deferred compensation under Section 409A and the regulations thereunder will be made on the date(s) provided herein and no request to accelerate or defer any payment under this Section will be considered or approved for any reason whatsoever, except as permitted under Section 409A. The Base Salary continuation payments will commence on the first payroll date that is on or after the eighth day following receipt by the Company of Employee's executed release; provided, however, if the Base Salary continuation payments are deferred compensation subject to Code Section 409A and if the period during which Employee has discretion to execute or revoke the release straddles two taxable years of Employee, then the Company will commence the Base Salary continuation payments in the second of such taxable years. Notwithstanding the foregoing, subject to the release requirement, the Base Salary continuation payments will in all events be paid no later than 60 days following Executive's termination of employment, regardless of which taxable year Executive actually delivers the executed Release to the Company. Once such Base Salary continuation payments commence, the first installment thereof will include all amounts that would have been paid had such payments commenced on the first payroll date occurring on or after the termination of employment date. Executive may not, directly or indirectly, designate the calendar year of the commencement of any payment hereunder. Notwithstanding the foregoing, amounts payable hereunder which are not nonqualified deferred compensation, or which may be accelerated pursuant to Section 409A, such as distributions for applicable tax payments, may be accelerated, but not deferred, at the sole discretion of Company.

(iii) All references in this Agreement to termination of employment or termination mean Employee's "separation from service" as that term is defined in Section 1.409A-1(h) of the Treasury Regulations.

(iv) All reimbursements and in-kind benefits provided under this agreement that constitute deferred compensation within the meaning of Section 409A of the Code shall be made or provided in accordance with the requirements of Section 409A of the Code, including that (i) in no event shall reimbursements by the Company under this agreement be made later than the end of the calendar year next following the calendar year in which the applicable fees and expenses were incurred, provided that you shall have submitted an invoice for such fees and expenses at least 10 days before the end of the calendar year next following the calendar year in which such fees and expenses were incurred; (ii) the amount of in-kind benefits that the Company is obligated to pay or provide in any given calendar year (other than medical reimbursements described in Treas. Reg. § 1.409A-3(i)(1)(iv)(B)) shall not affect the in-kind benefits that the Company is obligated to pay or provide in any other calendar year; (iii) your right to have the Company pay or provide such reimbursements and in-kind benefits may not be liquidated or exchanged for any other benefit; and (iv) in no event shall the Company's obligations to make such reimbursements or to provide such in-kind benefits apply later than your remaining lifetime or, if longer, through the 20th anniversary of the Effective Date.

(d) **Specified Employee Status.** If Employee is a specified employee (within the meaning of Code Section 409A) on the date of his separation from service, any payments made with respect to such separation from service under this Agreement, and other payments or benefits under this Agreement that are subject to Section 409A of the Code, will be delayed in order to comply with Section 409A(a)(2)(B)(i) of the Code, and such payments or benefits will be paid or distributed to you during the five-day period commencing on the earlier of: (i) the expiration of the six-month period measured from the date of your separation from service, or (ii) the date of your death. Upon the expiration of the applicable six-month period under Section 409A(a)(2)(B)(i) of the Code, all payments deferred pursuant to this Section (e) will be paid to Employee (or Employee's estate, in the event of Employee's death) in a lump sum payment. Any remaining payments and benefits due under the Agreement will be paid as otherwise provided in the Agreement.

(e) **Withholding Taxes.** To the extent any payments under this Agreement are wages subject to income and employment tax withholding, the Company has the right to withhold or otherwise require Executive to pay to the Company the amount of any taxes that the Company may be required to withhold before delivery of such payment to Executive.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, each of the parties has executed this Agreement, in the case of the Company by its duly authorized officers, as of the day and year first above written.

WINDSOR PERMIAN, LLC

Date: 9/18/12 By: /s/ Travis Stice

Travis Stice, Chief Executive Officer

MICHAEL HOLLIS

Date: 8/15/12 /s/ Michael Hollis

Windsor Permian, LLC Michael Hollis Employment Agreement Signature Page

**FIRST AMENDMENT
TO AMENDED AND RESTATED
EMPLOYMENT AGREEMENT**

First Amendment effective as of January 1, 2013 (this "**Amendment**") to the Amended and Restated Employment Agreement dated as of January 1, 2012 (the "**Employment Agreement**") by and between Windsor Permian LLC and Michael Hollis ("**Employee**"), as subsequently assigned to Diamondback E&P LLC (the "**Company**"). Capitalized terms used but not defined in this Amendment shall have the meanings ascribed to them in the Employment Agreement.

RECITALS

WHEREAS, the Company and Employee are parties to the Employment Agreement; and

WHEREAS, the Company and Employee desire to amend the Employment Agreement as set forth herein.

NOW, THEREFORE, in consideration of the foregoing and the covenants and agreements contained in this Amendment, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by the parties, and intending to be legally bound, the parties agree as follows:

AGREEMENTS

**ARTICLE I
AMENDMENTS**

1.1 Section 2(a) of the Employment Agreement is hereby deleted in its entirety and replaced with the following:

(a) As compensation for services rendered under this Agreement, the Company shall pay to Employee a base salary (the "**Base Salary**") at an annualized rate of \$230,000, payable in accordance with the normal payroll procedures of the Company. From time to time at the sole discretion of the Compensation Committee (the "**Compensation Committee**") of the Board of Directors or Managers of the Company, Employee's Base Salary may be reviewed by the Compensation Committee and may be increased or decreased, but not decreased below \$230,000, by the Compensation Committee in its sole discretion. The term "Base Salary" as used herein shall mean and refer to the then current base salary, as adjusted from time to time in accordance with this Section 2(a). The Company shall deduct from the Base Salary amounts sufficient to cover applicable federal, state and/or local income tax withholdings and any other amounts that the Company is required to withhold by applicable law.

**ARTICLE II
MISCELLANEOUS**

2.1 **Effect of Amendment; Amendment.** Other than the amendments and modifications set forth herein, the Employment Agreement remains in full force and effect. This Amendment may only be modified or amended if such modification or amendment is set forth in a written instrument executed by each party.

2.2 **Headings.** The headings contained in this Amendment are for convenience only and shall not affect the meaning or interpretation of this Amendment.

2.3 **Governing Law.** This Amendment shall be governed, including as to validity, interpretation and effect, by the laws of the State of Texas without giving effect to any choice of law or conflicts of law rules or provisions thereof.

2.4 **Rules of Construction.** Each party hereto has participated in the drafting of this Amendment, which each party acknowledges is the result of negotiations between the parties. If an ambiguity or question of intent or interpretation arises, this Amendment shall be construed as if drafted jointly by the parties, and no presumption or burden of proof shall arise favoring or disfavoring any party by virtue of the authorship of any provision.

IN WITNESS WHEREOF, the undersigned have executed this Amendment on the ____ day of January, 2013, to be effective as of the date first written above.

DIAMONDBACK E&P, LLC

/s/ Michael Hollis
Michael Hollis

By: /s/ Travis D. Stice
Name: Travis D. Stice
Title: President and CEO

**DIAMONDBACK ENERGY, INC.
2012 EQUITY INCENTIVE PLAN**

**NOTICE OF AMENDMENT OF OUTSTANDING
RESTRICTED STOCK UNIT AWARD CERTIFICATE**

Name of Participant _____
 RSU Award (#) _____
 Number of Shares: _____
 Date of Grant: October 11, 2012
 Effective Date of this
 Amendment: April 5, 2013

This is an amendment of the Restricted Stock Unit Award Certificate (the "**Award**") entered into between you ("**Participant**") and Diamondback Energy, Inc., a Delaware corporation (the "**Company**"), which was previously granted to you on the Offer Grant Date designated above (the "**Prior Agreement**"). Your outstanding Award has been amended to change the designated Payment/Settlement Date provisions that determine when the Award will be settled and paid in the form of shares of the Company's common stock. Prior to this amendment, the Prior Agreement stated that shares of common stock will be paid on the specified vesting dates, except Restricted Stock Units that vest on the Date of Grant will not be settled until the first business day coincident with or next following the date of expiration of the lock-up agreement entered into by the Company and certain officers and Directors in connection with the Company's initial public offering. The expiration of the lock-up agreement on April 9, 2013 does not occur during an open trading window under the Company's insider trading policy. The revised Payment/Settlement Dates under this Award amendment reflects the extension of the Payment/Settlement Date until the first business day coincident with or next following the first open trading window to occur after the Effective Date of this Amendment (currently contemplated to begin two days after the Company's earnings release for the first fiscal quarter).

Payment Date

The Payment/Settlement Date specified in your Award for RSUs is hereby amended to change the settlement date when stock is transferred under the Award as follows:

Payment/Settlement Date: Shares of common stock will be paid on the specified vesting dates, except Restricted Stock Units that vest on the Date of Grant and on or before the first open trading window to occur after the Effective Date of this Amendment will not be settled until the first business day coincident with or next following the date of the first open trading window to occur after the Effective Date of this Amendment, but not later than December 31, 2013.

Agreement

By your signature and the signature of the Company's representative below, you and the Company agree that this amended Restricted Stock Unit Award Certificate is granted under and governed by the terms and conditions of the Diamondback Energy, Inc. 2012 Equity Incentive Plan and the Prior Agreement, which is incorporated herein by this reference. **PLEASE READ SUCH PRIOR AGREEMENT IN CONJUNCTION WITH THIS NOTICE OF AMENDMENT.**

Participant:

Diamondback Energy, Inc.

_____, an individual

_____, an individual

Dated: April , 2013

Dated: April , 2013

LEASE AMENDMENT #6**DIAMONDBACK E & P LLC**

FASKEN MIDLAND, LLC, (hereinafter called "Lessor") and DIAMONDBACK E & P LLC, successor to Windsor Permian, LLC (hereinafter called "Lessee"), for good and valuable consideration the receipt of which is hereby acknowledged, do hereby amend that certain Lease Agreement dated April 19, 2011, Lease Amendment #1 dated June 6, 2011, Lease Amendment #2 dated August 5, 2011 (surrendered September 30, 2012), Lease Amendment #3 dated September 28, 2011, Lease Amendment #4 dated February 6, 2012 and Lease Amendment #5 dated July 25, 2012 (collectively the "Lease Agreement"), covering approximately 7,428 square feet of Net Rentable Area located on Level Twelve (12) of One Fasken Center at 500 West Texas Avenue, Midland, Texas 79701, also known as Suite 1210, under the following terms and conditions:

1. **LEASED PREMISES.** Effective May 1, 2013, the provisions of paragraph 1.5 are hereby deleted and the following substituted in lieu thereof:

"1. **LEASED PREMISES.** Approximately 7,965 square feet of Net Rentable Area located on Level Twelve (12) as more fully diagrammed on the floor plan of such premises attached hereto and made a part hereof as "Exhibit B-1", together with a common area percentage factor determined by Lessor (the "Leased Premises"). Said Leased Premises is comprised of approximately 1,586 square feet of Net Rentable Area in the Original Leased Premises together with approximately 1,489 square feet of Net Rentable Area (the "Suite 1220 Expansion Space"), approximately 1,997 square feet of Net Rentable Area (the "Suite 1225 Expansion Space"), 314 square feet of Net Rentable Area (the 12th Floor Expansion Space"), 2,042 square feet of Net Rentable Area (the "Suite 1280 Expansion Space") and approximately 537 square feet of Net Rentable Area (the "Suite 1260 Expansion Space"). Any statement of size or square footage set forth in the Lease Amendment or that may have been used in calculating Rent, Base Rent, Operating Expenses or any other charge to Lessee is an approximation, which the parties agree is reasonable and any payments based thereon are not subject to dispute. Said demised space represents approximately 1.889% of the Total Net Rentable Area, such Total Net Rentable Area of the Building being approximately 421,546 square feet."
2. **TERM.** The Lease Term for the Suite 1260 Expansion Space added by this amendment shall be for three (3) years and one (1) month, commencing May 1, 2013 and terminating May 31, 2016.
3. **RENT.** Effective May 1, 2013, the Base Rent table set forth on Exhibit C of the Lease, Section 2 (Rent) of Lease Amendment #1, Exhibit C-1 of Lease Amendment #2, Exhibit C-2 of Lease Amendment #3, Exhibit C-3 of Lease Amendment #4 and Exhibit C-4 of Lease Amendment #5 are hereby deleted and the attached Exhibit C-5 shall be substituted in lieu thereof.
4. **FINISH OUT.** Lessee accepts the Leased Premises in "as is" condition and no other finish out shall be required of Lessor. Any alterations to the Leased Premises shall be at Lessee's sole expense and responsibility.
5. **PARKING.** Effective May 1, 2013, Lessor agrees to provide up to one (1) additional parking spaces in the attached parking garage, at the following rates per space per month plus applicable sales tax at Lessee's election herein:

_____ @ \$125.00 per space per month for Officer Reserved (Basement & Level One) — space may be limited, if available

_____ @ \$95.00 per space per month for Preferred Reserved (Level Two and above) — space may be limited, if available

1 @ \$75.00 per space per month for General Unreserved

The parking spaces set forth in this section shall be for Lessee and/or Lessee's employees and Lessor shall have the right to assign parking space as conditions permit. However, Lessor shall not be required to police the use of these spaces. Lessor may make, modify and enforce rules and regulations relating to the parking of automobiles in the parking area(s), and Lessee shall abide thereby. Lessor shall not be liable to Lessee or Lessee's agents, servants, employees, customers, or invitees for damage to person or property caused by any act of omission or neglect of Lessee, and Lessee agrees to hold Lessor harmless from all claims for any such damage.

6. **SUBJECT TO VACATING.** Lessor's duty to tender possession of the Suite 1260 Expansion Space added to the Leased Premises hereunder is subject to the current tenant vacating the Suite 1260 Expansion Space. Provided, however, that if the current tenant does not vacate the Suite 1260 Expansion Space within six (6) months from the proposed effective date hereof, Lessee shall have the right to terminate its obligation to lease the Suite 1260 Expansion Space by delivery of written notification to Lessor.
7. **RATIFICATION.** Lessor and Lessee do hereby ratify and affirm all of the terms, conditions and covenants of the Lease Agreement, as amended herein.

Witness the execution hereby this the 18th day of December, 2012, but to be effective May 1, 2013.

LESSOR

LESSEE

FASKEN MIDLAND, LLC

DIAMONDBACK E & P LLC

By: JB Fund 1, LLC, Manager
By: Its Managers
North Waterfront Corporation

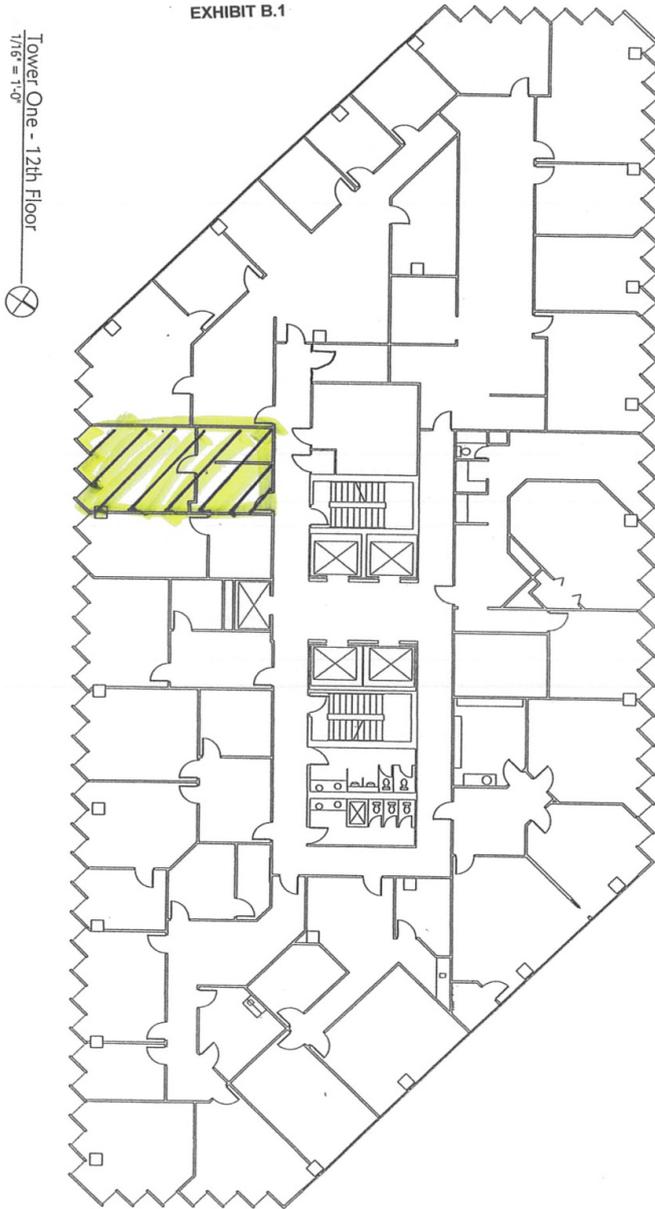
By: /s/ Travis D. Stice
Name: Travis D. Stice
Title: Chief Executive Officer

By: /s/ Thomas E. Cooper
Thomas E. Cooper
Vice President

JB Financials, Inc.

By: /s/ Thomas E. Cooper
Thomas E. Cooper
Vice President

EXHIBIT B.1



NOT FOR REGULATORY
APPROVAL, PERMITTING,
OR CONSTRUCTION

© 2005 HOKI 2004 HOKI/BERNARDI ARCHITECTS



1103 West First Avenue
Midland, Texas 79701
432.482.1232
432.482.1237 fax

Fasken Center
Tower One, 12th Floor
Midland, Texas

PROJECT:	0331
DRAWN BY:	DD
CHECKED BY:	MARKT. WELLEN
DATE:	1/12/05

LEASE AMENDMENT #6 DIAMONDBACK E & P LLC

EXHIBIT C-5

Months	Original Leased Premises - Suite 1210 - 1,586 Sq. Ft.			Suite 1220 Expansion Space - 1,489 Sq. Ft.		
	Annual Rate Per SF for Original Leased Premises	Annual Rent for Original Leased Premises	Monthly Rent for Original Leased Premises	Annual Rate Per SF for Suite 1220 Expansion Space	Annual Rent for Suite 1220 Expansion Space	Monthly Rent for Suite 1220 Expansion Space
8/1/11 until Termination of Amendment #2 for Basement Expansion Space - Terminated 9/30/12						
08/01/11 - 10/31/11	\$16.00	\$25,376.00	\$2,114.67			
11/1/11 - 11/30/11	\$16.00	\$25,376.00	\$2,114.67	\$16.00	\$23,824.00	\$1,985.33
12/1/11 - 1/31/12	\$16.00	\$25,376.00	\$2,114.67	\$16.00	\$23,824.00	\$1,985.33
2/1/12 - 5/31/12	\$16.00	\$25,376.00	\$2,114.67	\$16.00	\$23,824.00	\$1,985.33
6/1/12 - 4/30/13	\$16.75	\$26,565.50	\$2,213.79	\$16.75	\$24,940.75	\$2,078.40
5/1/13 - 5/31/13	\$16.75	\$26,565.50	\$2,213.79	\$16.75	\$24,940.75	\$2,078.40
6/1/2013 - 5/31/14	\$17.50	\$27,755.00	\$2,312.92	\$17.50	\$26,057.50	\$2,171.46
06/01/14 - 05/31/15	\$18.25	\$28,944.50	\$2,412.04	\$18.25	\$27,174.25	\$2,264.52
06/01/15 - 05/31/16	\$19.00	\$30,134.00	\$2,511.17	\$19.00	\$28,291.00	\$2,357.58

Months	Suite 1225 Expansion Space - 1,997 Sq. Ft.			12th Floor Expansion Space - 314 Sq.Ft.		
	Annual Rate Per SF for Suite 1225 Expansion Space	Annual Rent for Suite 1225 Expansion Space	Monthly Rent for Suite 1225 Expansion Space	Annual Rate Per SF for 12th Floor Expansion Space	Annual Rent for 12th floor Expansion Space	Monthly Rent for 12th Floor Expansion Space
8/1/11 until Termination of Amendment #2 for Basement Expansion Space - Terminated 9/30/12						
08/01/11 - 10/31/11						
11/1/11 - 11/30/11						
12/1/11 - 1/31/12	\$18.00	\$35,946.00	\$2,995.50			
2/1/12 - 5/31/12	\$18.00	\$35,946.00	\$2,995.50	\$19.00	\$5,966.00	\$497.17
6/1/12 - 4/30/13	\$18.50	\$36,944.50	\$3,078.71	\$19.50	\$6,123.00	\$510.25
5/1/13 - 5/31/13	\$18.50	\$36,944.50	\$3,078.71	\$19.50	\$6,123.00	\$510.25
6/1/2013 - 5/31/14	\$19.00	\$37,943.00	\$3,161.92	\$20.00	\$6,280.00	\$523.33
06/01/14 - 05/31/15	\$20.00	\$39,940.00	\$3,328.33	\$21.00	\$6,594.00	\$549.50
06/01/15 - 05/31/16	\$21.00	\$41,937.00	\$3,494.75	\$22.00	\$6,908.00	\$575.67

Suite 1280 Expansion Space - 2,042 Sq. Ft.

Suite 1260 Expansion Space - 537 Sq.Ft.

Months	Suite 1280 Expansion Space - 2,042 Sq. Ft.			Suite 1260 Expansion Space - 537 Sq.Ft.		
	Annual Rate Per SF for Suite 1280 Expansion Space	Annual Rent for Suite 1280 Expansion Space	Monthly Rent for Suite 1280 Expansion Space	Annual Rate Per SF for Suite 1260 Expansion Space	Annual Rent for Suite 1260 Expansion Space	Monthly Rent for Suite 1260 Expansion Space
8/1/11 until Termination of Amendment #2 for Basement Expansion Space - Terminated 9/30/12						
08/01/11 - 10/31/11						
11/1/11 - 11/30/11						
12/1/11 - 1/31/12						
2/1/12 - 5/31/12						
6/1/12 - 4/30/13	\$20.00	\$40,840.00	\$3,403.33			
5/1/13 - 5/31/13	\$20.00	\$40,840.00	\$3,403.33	\$22.00	\$11,814.00	\$984.50
6/1/2013 - 5/31/14	\$20.50	\$41,861.00	\$3,488.42	\$22.00	\$11,814.00	\$984.50
06/01/14 - 05/31/15	\$21.00	\$42,882.00	\$3,573.50	\$22.75	\$12,216.75	\$1,018.06
06/01/15 - 05/31/16	\$22.00	\$44,924.00	\$3,743.67	\$23.50	\$12,619.50	\$1,051.63

Months	Total Annual Rent for Stes 1210, 1220, 1225, 12th floor, 1280 & 1260	Total Monthly Rent for Stes 1210, 1220, 1225, 12th floor, 1280 & 1260
8/1/11 until Termination of Amendment #2 for Basement Expansion Space - Terminated 9/30/12		
08/01/11 - 10/31/11	\$25,376.00	\$2,114.67
11/1/11 - 11/30/11	\$49,200.00	\$4,100.00
12/1/11 - 1/31/12	\$85,146.00	\$7,095.50
2/1/12 - 5/31/12	\$91,112.00	\$7,592.67
6/1/12 - 4/30/13	\$135,413.75	\$11,284.48
5/1/13 - 5/31/13	\$147,227.75	\$12,268.98
6/1/2013 - 5/31/14	\$151,710.50	\$12,642.54
06/01/14 - 05/31/15	\$157,751.50	\$13,145.96
06/01/15 - 05/31/16	\$164,813.50	\$13,734.46

CERTIFICATION

I, Travis D. Stice, certify that:

1. I have reviewed this Annual Report on Form 10-K as amended by Amendment No. 1 to Form 10-K of Diamondback Energy, Inc.
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) 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) 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
 - (c) 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: April 10, 2013

/s/ Travis D. Stice

Travis D. Stice

Chief Executive Officer

CERTIFICATION

I, Teresa L. Dick, certify that:

1. I have reviewed this Annual Report on Form 10-K as amended by Amendment No. 1 to Form 10-K of Diamondback Energy, Inc.
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) 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) 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
 - (c) 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: April 10, 2013

/s/ Teresa L. Dick

Teresa L. Dick
Chief Financial Officer